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DUN & BRADSTREET MONTHLY REVIEW

THE STORY OF MARKETING — *by* CHARLES G. DAUGHTERS

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THE ACTIVITY BAROMETER

April 8, 1936 **March 4, 1936**
77.5 **75.5**

While industrial activity was affected unfavorably by storms and floods in the Eastern half of the country, the Barometer showed only a fractional decline for March, as a whole, as compared with February. It dropped to 74.5 during the week ended March 25, but rallied sharply in the first week of April to 77.5, as compared with 75.5 in the first week of March. The weekly average registered 73.9, against 76.5 for February, and rose almost 5 points above the March, 1935, average of 71.0.

BAROMETER AND ITS COMPONENTS
(Estimated normal =100)

	Activity Barometer	Steel Production	Car Loadings	Electric Power	Bank Clearings	Food Price Index
Apr. 8, '36	77.5	72.0	63.2	96.0	58.3	82.3
Apr. 1, '36	74.9	69.1	59.4	92.6	58.8	80.9
Mar. 25, '36	74.5	59.6	64.4	91.8	60.4	81.4
Mar. 18, '36	77.2	66.8	67.0	93.6	57.9	81.1
Mar. 11, '36	77.3	63.0	70.7	92.7	57.6	80.5
Mar. 4, '36	75.5	61.1	66.2	92.5	56.6	81.8
Apr. 10, '35	71.9	48.8	64.9	85.1	52.3	86.7

THIS ISSUE

From the first feeble beginning of commercial enterprises down through the centuries, the development of transportation facilities, population shifts, and revolutionary inventions have been the chief factors in providing new fields for the distribution of merchandise. The history of such major movements are surveyed t e r s e l y by Charles G. Daughters in "The Story of Marketing."

As a large area of American business will be affected by the decision, if sustained by the courts, unusual importance is attached to the ruling on March 5 on quantity discounts. In the first of two articles on the "Federal Trade Commision Decision in the Goodyear Case," Edwin B. George presents in its setting the problem of price differentials and discrimination.

The moot question of the predominant contribution of buying in agricultural districts over that of urban centers to the enlargement of retail distribution in 1935 is answered by Walter Mitchell, Jr., in "Is Retail Trade Recovery Greatest in the Rural Areas?"

THE STORY OF MARKETING

by CHARLES G. DAUGHTERS

The evolution of modern marketing is one of the lines in the pattern of social and economic history. It can only be understood in terms of its relationship to other parts of the picture such as transportation, population movements and methods of production.

AS the earth turns, the history of commerce and distribution is a short one. Two thousand years ago, a commercial map of the known world would have depicted narrow, undefined lanes of enterprise in and about the Mediterranean Sea. Many hundreds of years later those lanes would have lengthened only to include western Europe and the British Isles. One well defined lane would have begun to appear connecting Europe with the Far East. This lane was travelled by ships through the Mediterranean, by camel caravans across Asia Minor and again by ship to the trading centers bordering on the Indian Ocean and those Asiatic ports on the Pacific.

This new lane got its start as a result of Marco Polo's tedious and terrifying voyage around Africa to the Orient. Marco Polo's ships brought back to Italy the native spices and other products of India and the East. In Europe were found consumers in sufficient numbers willing and able to pay not only the cost of producing the native products of the East but also the cost of transporting them to Europe. In the Far East consumers in sufficient numbers were also found willing and able to pay the cost of producing and transporting to them the products of western Europe. Thus grew man's commercial enterprise between Europe and the Far East. Marco Polo's route around Africa was too long and beset with too many dangers of the open sea. A cheaper way was found across Asia Minor with the help of camel caravans.

Wherever man has sought to establish his lanes of commercial enterprise, there have been those who seek illegitimate gains by intercepting those lanes, stealing the merchandise or levying a tax of some kind on them in return for the concession of letting the merchandise pass without being molested. Thus the robber barons set themselves up in the passes of the Alps. From one of these came the house of Hapsburg, the descendants of which were destined to rule, at one time or another, much of civilized Europe. As commerce increased between Europe and the Far East, the roving tribes of Asia Minor found it more and more profitable to intercept and plunder the camel caravans which provided the connecting link between the Mediterranean and the Indian Ocean. During the latter half of the fifteenth century, the plundering of this lane of commerce, on both land and sea, was seriously endangering continuation of trade with the East. The hazards and costs of distribution were rapidly approaching an amount which neither the consumer in Europe nor in the Far East was willing to pay or could afford to pay.

Columbus a Marketing Expert

Whenever a condition of that kind exists, somebody is busy with pencil and paper figuring how to reduce the cost of distribution. Christopher Columbus was such a fellow. He came forward with the sacrilegious idea that the earth was round and that he could, therefore, lower the cost of trading with the Far East by sailing westward around the globe. As in the case of all entrepreneurs, he was up against the problem of financially underwriting the cost of laying out this new route which he believed would reduce the cost of trading with India and the Orient. It was not until Columbus reached the ears of Isabella and Ferdinand that he found someone with the necessary money and the willingness to gamble with him. Of the two, Isabella seems to have been the bigger gambler. We are told that she pawned her jewels for what they would bring. The best that Ferdinand would do was to turn over such of the inmates of his prisons as were willing to gamble their freedom against the ultimate success of Columbus' adventure. It does not seem that either Columbus or Ferdinand and Isabella were primarily interested in proving that the world was round. They were primarily interested in the potential profit that might accrue by opening up a lower cost route to the Far East. That they were to receive title to any lands that might be discovered in the process, might just as well have been an afterthought.

The voyage of Columbus is elementary school history. His trials and tribulations after returning to Spain are of common knowledge. He had failed in his mission—the products and the natives that he brought back were not the products of the Far East in which the consumers of Europe were interested. The investment in him had brought no returns. He was

thrown into prison for perpetrating a hoax. He had not solved the problem of lowering the cost of distribution between Europe and the Far East. He had only contributed to dispelling the horrors of the open Atlantic, the sea monsters large enough to swallow a sailing vessel and the unknown point where, if one sailed far enough, he dropped off the edge into eternity. Christopher Columbus presented the first large scale speculative venture to reduce the cost of distribution.

Thirty years passed before Magellan circumnavigated the globe and thereby proved Columbus' contention that one could sail East by sailing West. Nearly one hundred years elapsed before the first colony was established in the new world by an European nation at St. Augustine, Florida, in 1565. Nevertheless, through these years persisted the ideas of profit that could be attained by reducing the cost of trading with the Far East. Henry Hudson when he sailed up the Hudson River and again when he discovered Hudson Bay was searching for the legendary northwest passage to the Orient.

England and America

During the seventeeth and eighteenth centuries, England developed into an industrial nation. At the same time she was establishing herself as Mistress of the Seas for she must depend upon the mastery of the seas for her industrial development. Her internal industrial development and her commerce of the sea grew apace with the development of her American Colonies.

Like roving tribes in Asia Minor and the robber barons in the Alps, she sought to perpetuate her control over and levy her taxes on colonial enterprises. But enterprising individuals in the new world saw how they could manufacture their own products cheaper and carry on their own commerce in their own world at less cost and deliver merchandise to the consumer at a lower price. England discouraged industrial development in the colonies. It was her aim to compel the colonies to ship their raw materials to England, there to be transformed into manufactured products which the colonies were expected to buy back. She sought to prevent the colonies from trading with other nations. Teas and spices from the Far East must be bought through English merchants. Thus the Boston tea-party, taxation without representation, the War of Independence and the War of 1812.

Early train on Hudson River, about 1850.

Up to this point in history the costs and hazards of transportation in distribution remained largely a problem of the seas. However, in America during the first half of the nineteenth century, the people were engaged in pushing the frontiers of civilization westward to the interior of the United States. The problem of inland transportation was paramount. Pack horses, covered wagons and river flat boats provided the chief means of transporting merchandise. Abraham Lincoln poled his flat boat load of hogs down the Ohio and Mississippi to New Orleans. Governor DeWitt Clinton built the Erie Canal, hooking up the Great Lakes with the Hudson River and New York harbor, in order to provide cheaper methods of delivering merchandise from the hands of the producer into the hands of the consumer.

The steam engine was being adapted to the steamboat and the railroad. Robert Fulton propelled the "Clermont" from New York to Albany in thirty-two hours, in 1807. In 1830 the Baltimore and Ohio Railway completed the first railroad from Baltimore to Ellicott Mills, a distance of fourteen miles. Twenty-two years later the railroad was completed as far as Wheeling, West Virginia. The California gold rush of 1849 climaxed the coast to coast national consciousness which culminated in the demand for a transcontinental railroad.

Transportation Problems

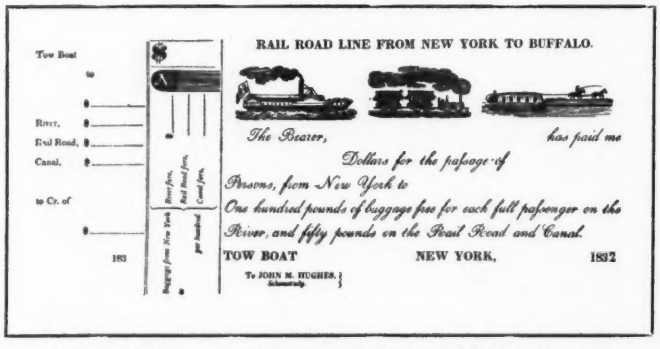
In many instances individual actions and resources were insufficient to overcome these hazards. National treasuries and national resources had to be called on. National treasuries built the Suez Canal. It required the resources of the United States Government to build the Panama Canal. The State of New York financed the building of the Erie Canal. The building of railroads received their greatest impetus from the financial assistance and grant of land from our Federal Treasury. Today it is common practice in all civilized countries for Governments to subsidize transportation facilities whether they be by land, water or in the air.

Today our transportation system has become so widespread and so efficient that no longer does the act of transporting merchandise from the producer to the consumer present a serious problem for most commodities. With each extension of our transportation system, new territories were open to trade and commerce. With each improvement lower costs were made

possible, until today the amount of freight or transportation charges in a loaf of bread we buy, a pair of overalls, a suit of clothes or a dress no longer determine whether or not we buy it for our own consumption. For $1.50 we can ship one hundred pounds of food or clothing from New York to Chicago.

Having reduced the cost of transportation it is not surprising that the ingenuity of man would soon begin to attack problems of reducing the cost of other factors which make up the cost of distribution.

It is not difficult to visualize the standards of living and the methods of trade during the period of settlement of the land. The vast majority of the settlers were seriously handicapped from the standpoint of finances. They were compelled to take from the land everything that they possibly could in the way of food and clothing for themselves and lumber and other building material available for dwellings and farm buildings.


RAIL ROAD LINE FROM NEW YORK TO BUFFALO.
Tow Boat
River,
Rail Road,
Canal,
The Bearer,
has paid me
Dollars for the passage of
Persons, from New York to
One hundred pounds of baggage free for each full passenger on the
River, and fifty pounds on the Rail Road and Canal.
TOW BOAT
NEW YORK,
1832

An early ticket for passage between New York City and Buffalo, dated 1832.

They raised, killed and preserved their own meat supplies. They were able to raise much of what they required in the way of other foods. Their fuel supply came from their own timber lands. Almost every house boasted a spinning wheel from which they spun their own yarns. They wove their homespun fabrics from which they made most of their clothing requirements.

The Growth of Trading Centers

As bountiful and rich as the new land was it could not produce all of the settlers' requirements. Someone had to bring those added necessities to them, or two or three times a year they had to make long journeys on horseback or in lumbering wagons to some distant trading center for them. As the population increased in density it was natural that more and more trading centers should spring up that were closer and more convenient. These trading centers appeared at intersections of trails, at convenient sites along a navigable river, at a point where some enterprising individual had established a mill for grinding grain, a sawmill or a grain elevator. Here and there trading communities sprang up where local mineral resources fostered the growth of an industrial center. With the coming of the railroads, trading centers rapidly developed at the station stops along the right of way.

The trading-center stores were primarily warehouses where the merchandise was held largely in bulk. They carried a general line of merchandise and became known as general stores. They supplied, in small lots, anything from salt to hairpins and calico in the piece to hardware. Later on, farm machinery was added. Prunes, coffee or beans were scooped out to the customer from a barrel, a sack or a bin provided for the purpose. The general store was the community's meeting and loafing place. Show windows, counter-cards, advertising, and branded packaged goods were unknown. The merchant's competition, if any, was on a friendly basis. He did not concern himself about the cost of distribution. He purchased at as low a price as he could and sold at as high a price as he could. The trade rule-of-thumb was to levy what the traffic would bear. Rarely did a salesman call upon him. He went to market once, perhaps twice, a year and bought his entire requirements for the ensuing period.

Thus we see how the sparsity of population, the conditions of travel, the lack of facilities for transportation and communication, the condition of credit rating and collection facilities and the habits of the consumer continued to require a very definite system of distribution of merchandise which best suited the conditions and requirements of the times. That system which functioned best under these conditions was the producer or manufacturer-to wholesaler-to retailer set-up.

Rapid Growth

From 1850 until the close of the century, national economic efforts were focused on the transportation problem. In 1852 the Baltimore and Ohio Railroad reached Wheeling, West Virginia. By 1860, 30,283 miles of railroad had been completed in the United States. In 1869, the gold spike was driven at Promontory Point, in the Rocky Mountains in Utah, signalizing the completion of the first transcontinental railroad. Between 1850 and 1860, 21,600 miles of railroads were completed. Between 1860 and 1890, 68,926 were built, representing the peak years of railroad construction. By 1900, the total railroad mileage in the United States was 193,346 miles.

New facilities were entering the distribution picture to supplement the railroad in the exchange of commodities. Morse had invented the telegraph. In 1841, Lewis Tappan established an agency, later to become R. G. Dun & Co., to facilitate the collection and exchange of credit information. Newspapers and national periodicals were beginning to appear which opened up a new field of advertising in the scheme of distribution. Rural free delivery of the mail was establish-

ed which opened the field of mail-order selling. Montgomery Ward and Sears-Roebuck soon became household words on the farm. The development of the Railway Express Agencies facilitated the transportation and delivery of merchandise in small lots. Check-book money, postal C.O.D.'s and postal money orders were facilitating the payment of goods. New forces were entering the field of distribution to challenge the predominating methods of the producer or manufacturer-to wholesaler-to retailer set-up.

The Travelling Salesman

During much of the first half of the eighteen hundreds, buyers were seekers of merchandise. The retailer went to market to do his buying. The wholesaler sought out a source of supplies. It was a sellers' market and overhanging it all was the problem of transportation.

During the latter half of the century evidence of a change began to develop and by the end of the century an army of salesmen combed every nook and corner of the United States for business. As transportation facilities improved, aggressive wholesalers found it profitable to send out representatives with sample lines to call on the trade and maintain contact with their customers. These representatives soon became known as drummers, for they were said to be drumming up trade.

The salesman's competition was not keen. As he built up his clientele, he could usually depend upon selling his general store merchant his entire requirements for many months ahead. The rate of commission was liberal. For those salesmen who could stomach the vicissitudes of travel, the average annual commission earnings approached an attractive figure and the profession of a drummer or travelling salesman was a highly respected one.

Direct and Specialized Selling

The rapid growth in population, the country's rapid industrial development, the tendency for the rate of urban population to increase in proportion to rural population, the continued improvement of transportation, communication, credit and commercial facilities, the rapid development of the use of travelling salesmen by wholesale houses, all paved the way for a new development in distribution.

Producers and manufacturers began to circumvent the wholesaler by sending their own salesmen direct to the retailer. Manufacturers' branded package goods and trademarks began to make their appearance. Ready-to-wear clothing appeared on the merchants' shelves. Men and women's clothing stores, grocery stores, hardware stores and drug stores began to make their appearance in large trading centers to supplant the general stores. Salesmen carrying specialized lines, began to compete with the salesmen carrying the wholesaler's general line.

Therefore, by the end of the nineteenth century, there were three methods in the fields of distribution, the mail-order house, the manufacturer-to wholesaler-to retailer, and the manufacturer direct to specialized retailers. We were to go on refining and improving the transportation systems but in the course of the next twenty-five years we are to see the attack on the cost of distribution turn from the costs and hazards of transportation to the real and intangible

concluded on page 48

Manhattan viewed from Brooklyn Heights, 1836

AFTER THE DELUGE

by A. M. SULLIVAN

Dun & Bradstreet reporters had an exciting time in keeping lines of credit communication open in flooded districts. Emergency conditions revealed high courage and morale of business men in face of disaster. Commercial losses were not so severe as first anticipated, due to sufficient warning and rapid salvage.

NOW that the muddy waters of 12 streams and their snow-fed tributaries have subsided, a hasty inventory reveals that 387 communities in 10 States suffered damage to a greater or lesser degree, with the cities of Pittsburgh and Johnstown in Pennsylvania, Binghamton, N. Y., Hartford, Conn., Springfield, Mass., Manchester, N. H., bearing the brunt of the commercial loss. The damage along the Ohio River was less than expected due to ample warning, and the fact that most of the residential districts are located on high ground.

Merchants at Wheeling had a fair opportunity to salvage most of their merchandise, although there was considerable property damage. The principal sufferers on the Ohio were the cities of Wellsville and East Liverpool. Portsmouth, though on low ground, reaped the reward of its vision in erecting a sturdy levee which shouldered off the high crest of the river. Commercial losses were negligible in Cincinnati, secure on its high perch above the river, looking over the muddy surge of the Ohio into the grasslands of Kentucky.

Nature's sudden interruption in the smooth function of the machinery of trade has offered plenty of evidence of the business man's ability to rise to the heroic level necessary for any emergency. In an occasion when telephone lines are silenced, when power lines sputter and go out, when water mains are polluted, man suddenly appreciates that he is the victim of his own ingenuity. A rather grateful victim, as he is sharply reminded that he has many servants at his beck and call, who are only conspicuous in their absence or their inability to function.

Hartford was more remote than Tokio with its lines of communication and transport cut off by a wall of water. Candles sold for a dollar in Hartford while filtered water cost 35c. a bottle in Pittsburgh. Citizens, used to all the comforts of a mechanized civilization, were suddenly placed on an economic level with their hardy colonial ancestors, with less preparation for its rigors.

If the lines of communication and transport were briefly disabled by the flood, the lines of credit communication functioned with scarcely a break throughout the disaster. The importance of this service cannot be overstated. One of the dangers from any catastrophe is the hesitation of business men to ship, not knowing what the disaster may have done to the resources of the customer.

When it became apparent that the swelling rivers were certain to inundate the business centers of many cities, an executive order sent extra squads of Mercantile Agency reporters from New York, Boston, Philadelphia, and Cleveland into the troubled areas. Ten picked men from New York went to the Pittsburgh and Johnstown districts to assist the local staffs. Boston reporters aided the New England cities, and Philadelphia sent picked men along the cities on the Susquehanna.

No one except rescue and medical squads was allowed into the danger areas even as the waters receded as a preventive measure against disease and looting. However the Dun & Bradstreet card was the equivalent of a pass. The reporting staff were accorded every courtesy by officials who knew, or were informed that, the reporter was there to expedite the delivery of much needed merchandise to concerns who were in a position to receive it and distribute it.

Reporters first determined the actual street areas affected by the flood waters so that stores on dry ground would not suffer any delay in the delivery of urgently needed supplies. Each day the reporters sloshed through the wet and silty streets of the Golden Triangle of Pittsburgh, examining premises and interviewing merchants. Working in cold, oil-lighted offices the staff wrote and duplicated thousands of notices to suppliers who had made previous inquiry on these accounts.

It is estimated that more than 100,000 of these "Continuous Service" bulletins were sent out of the Pittsburgh office, notifying suppliers all over the country whether or not the individual merchant was still an acceptable credit risk. The final check-up of commercial losses showed that 3,044 concerns in Pittsburgh, Johnstown and Wheeling had suffered damage, 431 seriously enough to affect their purchasing power, while 192 were forced to discontinue.

Working in squads of four, the reporters patrolled the three populous valleys in the western Pennsylvania district using automobiles wherever the highway conditions permitted. Along the river banks they found steel mills, potteries, and various durable industries under water. While the companies suffered machinery damages and losses due to interrupted production schedules, in few instances will the loss disturb the manufacturer's credit relation with its supplier. Some large department stores in Pittsburgh had severe merchandise and property loss but they recovered quickly and began major alterations at once. It was the small merchants enjoying limited credit who were hit the hardest, requiring additional capital for fixtures, and property repairs, even with the aid of liberal extension.

Johnstown is located precariously in a bowl between the mountains, with the threat of the Conemaugh River and the huge reservoir of tragic memories. The reporters working there found desolation on all sides, with water reaching as high as the second stories of the commercial establishments. Despite the damage, they were able to report several instances where a merchant by his ingenuity and stamina was able to stage an immediate comeback. One example is eloquent of the spirit typical of so many merchants staring at disaster, and then suddenly beholding prosperity.

The chief of the Johnstown reporters interviewed a merchant who had just opened a shoe store which was partially stocked. Not one sale had jingled on the new cash register. The flood damaged his new stock and fixtures before any salvage could be made. Then as the Conemaugh River loosened its grip on the city, it left a deposit of putrid slime and silt from six inches to two feet in depth. The shoe merchant hitchhiked out of town and phoned his supplier, and laid the cards on the table. "I'm washed out," he said, "but I want you to send me 2,000 pairs of rubber boots." "O.K." was the answer. The boots were trucked in and the salesman set himself up as a bazaar vendor. In thirty-six hours he was sold out and received a second shipment, and sold out again. Under the baptism of fire, or rather water, this shoe merchant turned adversity into prosperity and retrieved enough capital for a fresh start.

Another reporter in Pittsburgh, who interviewed the jobbers on flooded Penn Ave. told how many small merchants paid their bills before due date saying, "I know that you will need all the cash you can raise. I'm grateful that my store was spared." Such incidents reveal how the human equation insists on entering such a "cold-blooded" and impersonal occupation as trade.

The New England States suffered a heavy property and commercial loss because the normally placid Connecticut River swept down from the Canadian border in a vertical sluiceway, gathering momentum from innumerable mountain streams in Vermont, New Hampshire, Massachusetts, and Connecticut, causing damage to 247 cities and towns. It flooded the hundreds of river communities arming its violence with logs and cut timber which rammed through buildings and pushed bridges off their abutments.

Commercial losses were not very large in New Hampshire and Vermont, but mounted as the river reached Massachusetts and Connecticut. Reporters from Boston aided the regular investigating staffs along the Connecticut valley, particularly in the areas near Springfield, Mass. The Dun & Bradstreet service manager at Springfield reported:

> "About 25 to 35 per cent of all retail stores were actually affected by the flood. In Springfield proper nearly all department stores suffered losses. Damage to merchandise is in the neighborhood of $2,000,000."

When the wall of water reached Hartford it lifted the crest of the river 37 feet above normal, and flooded the business and residential district for a half mile on either side. Sufficient warning enabled the merchants to salvage a large proportion of their stock. Reporters after a complete check-up of the flooded shops and factories reveal that about 10 per cent

Reporters and clerical staff at Pittsburgh preparing emergency notices on flood damages. Staff worked in overcoats. Light, heat and drinking water were cut off.

of all the commercial houses suffered damages with an average loss to retailers of $500 to $800. The biggest sufferers in Hartford were the small home owner and rent payer. Fourteen thousand families are homeless with their houses in shambles or entirely rooted from their foundations and swept away.

How much of this financial shock to the consumer in Hartford and elsewhere will be absorbed by Red Cross replacements and aid from various Government agencies is difficult to estimate. Millions of dollars in cash have poured into the distressed areas, and should serve as a partial cushion to the wage earner whose purchasing power is of vital importance to the small retailer. Home owners in all flooded districts have the assurance of generous treatment from the H.O.L.C. and F.H.A. in extending mortgage payments and making immediate repairs.

The rampant and threatening Ohio, after it passed Wheeling, confined most of its depredation to Wellsville, and East Liverpool. Wellsville was completely inundated, and the reporter sent there stated that 38 concerns, mostly small retailers, suffered property and merchandise loss. Most of the potteryware in the kilns was ruined by the flood. As only eight enterprises were flooded in East Liverpool, there will be little demand for extensions or replacements.

The Susquehanna, starting as a trickling overflow from Lake Otsego at Cooperstown, N. Y., is a shallow meandering stream which noses its course through New York, Pennsylvania and Maryland until it reaches the Chesapeake Bay. Reaching flood level, it did its principal damage to 10 communities in the Binghamton district, the principal losses being incurred by small retailers in the low-lying foreign population section. At Wilkes-Barre it flooded the business center with considerable loss to the retailers. The business district of Williamsport also suffered severe losses. Reporters from Philadelphia aided the regular travelers along the populous Susquehanna towns and cities.

A Johnstown investigator saw a modern laundry almost hidden under the filthy Conemaugh current. The owner was grieved, but not despondent enough to forget his business alertness. While the water was slowly subsiding from his plant, he arranged a salvage deal with scores of local and nearby merchants to recondition their clothing stocks. Now he has more business than he can handle. His plant is working overtime, and storekeepers are selling relaundered shirts, dresses and underwear at bargain prices.

One of the most important services of a specialized nature was rendered to insurance companies, whose fire risks were, paradoxically, seriously affected by flood losses. Investigation, cancellation or revision of insurance policies of a commercial nature have followed the receipt of these emergency notices from the Agency Offices. As capital losses are known to maintain a dangerous parallel with fire loss, all revised ratings called for additional study of the risk.

Meeting a credit reporting emergency such as the recent flood was an expensive operation for The Mercantile Agency, but is a challenge which is gladly accepted. Such an occasion reveals the mobile and elastic credit reporting system which is enabled to meet such a disturbance in the normal pattern of business without delay.

It is estimated that in the neighborhood of 250,000 "Continuous Service" reports were sent to suppliers doing business with concerns in the flooded districts. These notices enabled them to ship with reasonable security, or prevented their capital and merchandise from falling into insecure hands.

With almost a century of fact-finding tradition behind them the reporters accepted their difficult assignments with the spirit of the soldier of business. They maintained a vigilant commercial patrol of the troubled areas with a lively morale and devotion to duty.

Manager Andrew G. Sharkey of the Pittsburgh Office with Special Representative W. C. Racine of the New York Office, directing flood reporting activities under emergency conditions. Note oil lamp and distilled water. Offices were heated by kerosene stoves.

IS RETAIL TRADE RECOVERY GREATEST IN THE RURAL AREAS?

by WALTER MITCHELL, JR.

THE Dun & Bradstreet Retail Survey for 1935, now in progress, offers an opportunity to test the prevailing assumption that rural purchasing power has recovered much more rapidly than the purchasing power of city dwellers. The assumption has been based on many bits of news and commonly accepted business indicators. The rural retail sales index of the Department of Commerce, based mainly on mail order business, has recorded exceptional advances. Publicity surrounding the subsidies issued to farmers under the Agricultural Adjustment program has made it easy to forget that a larger than proportionate share of relief money has been going into cities, and that relief expenditures represent a cash total vastly greater than the Agricultural Adjustment fund.

In the interpretation of this summary of returns in a few trades, it should be remembered that the merchants participating in this Survey are almost entirely independent retailers or proprietors of small chains. In many trades the reporting group is likely to comprise a larger proportionate sample of small merchants than of large ones. Inasmuch as chain merchandising is more prevalent in the bigger trading centers, comparisons are made in the detailed discussions below, between reported chain results and the retailer results analyzed here.

The interpretation of any such figures, as are presented here, must endeavor to sort out the effects of two quite different sets of forces. One set of factors is the governmental measures and other economic forces affecting the distribution of income as between farmers and wage-earners, small town workers and city folks. The other set are those changes in our distribution system which might be called the competitive struggle between various sizes of towns. Larger trading centers pull business away from the small towns by virtue of good highways, and suburbs claim business from the centers of their cities by reason of congestion in the downtown areas.

The 1934 and 1935 sales totals of almost 6,000 independent retail enterprises have been used, grouped by twenty-two important lines of retail trade. The size groups of towns and cities in the table were decided upon with the feeling that these groups represented significant phases in the development of retail trade. Cities of 500,000 are metropolitan centers with an unique development of large department stores and fully developed secondary trading centers. Many cities of 100,000 to 500,000 people have recently developed, or are developing such secondary trading centers of considerable importance in many trades. Probably no great changes in the independent retail structure have occurred recently in the cities of 30,000 to 100,000 people, but they have been the scene of a considerable invasion of chain store merchandising in some parts of the country. The group of towns with 5,000 to 30,000 people include many county seats, formerly important trading centers in rural areas, especially in midwestern and southwestern States, but lately reported to be suffering from the competition of larger cities made accessible by good highways. Stores in villages of less than 5,000 people, which must draw most of their trade from the surrounding area rather than the local settlement, therefore reflect almost entirely changes in rural purchasing power.

These figures show no such advantage for the small town as had been expected. In six lines of trade the most rapid improvement was quite clearly in the cities. In five lines, best results occurred in the small towns, while in the remaining eleven lines there was no clear trend, or the comparison was inapplicable. The six lines showing more favorable results in larger cities are as follows: Dry goods, clothing (men's and boys'), women's ready-to-wear, automobiles, building supplies and hardware. The group where trade has favored the small towns are: Groceries, groceries and meats, men's furnishings, shoes, lumber.

The following detailed comments on the figures are intended for the use of those interested in the specific lines of retail trade covered:

Food

The more rapid increase of independent grocery sales in the small towns doubtless indicates in part the recovery of purchasing power in those towns, but may also reflect urban competition of chain stores, especially in the cities of 100,000 to 500,000 where they may have taken the lion's share of the recovery in volume. Similarly, it may be that the shift of chain store units from straight groceries to groceries and meat outlets has been most effective in the very large cities, where this reporting group of grocery and meat stores shows an actual decrease in sales. However, these suppositions must be discounted in the light of chain grocery reports showing 1935 volume only 4 per cent above 1934. It is a safe conclusion that in grocery

sales the small towns advanced more rapidly than the cities.

General Merchandise—Farm Supply

The present results are in line with previous retail trade reports showing dry goods as the trade enjoying about the least improvement from 1934 to 1935. Town and small city stores made the best showing, villages the poorest.

General stores are essentially a small town type of retailing and it is astonishing to find so radical a difference between the results of towns of less than 5,000 and towns of from 5,000 to 30,000. The actual average loss in sales volume in the latter towns may, in part, be the result of competition from the retail stores established by the large mail-order houses. An estimate of the sales trend, for country general stores and farmers' supply outlets, as a whole, was placed by the Department of Commerce at 12 per cent, strengthening the above supposition. It will likewise be noticed the feed, grain and hay stores recorded identical rates of increase in the two size groups of towns where such outlets are significant.

Variety stores in the large cities are almost entirely chain units, and the reports from independents in towns of more than 30,000 were so few that they did not consitute a reliable sample. However, the variety stores reporting from the small towns showed 11.6 per cent and 19 per cent increases for the two groups represented; a very favorable contrast with the 2 per cent improvement estimated for the variety trade as a whole.

Apparel

Both men's and boys' clothing and men's furnishings registered increases of about 10 per cent as a whole. Men's and boys' clothing sales increased most in the largest cities, least in the towns of 5,000 to 30,000 people. The furnishings line showed no marked leaning, though the two small town classes were slightly ahead of the two city groups.

The recovery of women's ready-to-wear shops was greatest in the middle groups cities from 30,000 to 500,000 people; least in the villages of less than 5,000. Since there does not seem to be a consistently better business trend in those cities than in other sizes of towns, it is likely that these results reflect, in part, the keen competition between women's specialty shops in the very large cities and the effect of good highways in drawing the trade of women away from the small villages.

Women's specialty shops are characterized by one of the highest rates of turnover in ownership to be found in any retail trade, and the sprouting of numerous new enterprises in those sizes of towns where conditions were favorable, might serve to split in small shares an otherwise encouraging increase of volume.

Family clothing stores are distinctly a small town type of outlet, equivalent in function to the department store in somewhat larger towns; hence the reporting samples in cities of over 30,000 were too small to be reliable. These small town clothing stores record a trend not far different from the other clothing trades. Family shoe stores did twice as well in the towns as in the cities; very probably they felt the keen competition of chain shoe outlets in the medium and larger sizes of trading centers.

Automotive Trades

The limited sample of automobile dealers reporting from the very large cities includes three large concerns with fantastic in-

TREND OF RETAIL SALES 1934-1935 BY SIZE OF CITY OR TOWN

Kinds of Retail Trade	Cities Over 500,000 Per Cent Change	Cities 100,000 to 500,000 Per Cent Change	Small Cities 30,000 to 100,000 Per Cent Change	Towns 5,000 to 30,000 Per Cent Change	Villages Less Than 5,000 Per Cent Change	Number of Concerns In Sample	Totals Per Cent Change
FOOD:							
Groceries	9.3	5.1	9.0	10.3	13.5	251	10.1
Groceries and Meats	1.2	19.8	13.7	9.7	12.7	560	10.8
GENERAL MDSE.—FARM SUPPLY:							
Dry Goods	3.3	2.1	4.7	4.7	.7	252	3.0
General Stores	...	...	...	1.4	9.0	993	7.4
Variety Stores	...	...	...	11.6	19.0	119	16.4
Feed, Grain and Hay	...	...	...	18.0	14.2	102	15.5
APPAREL:							
Clothing (Men's and Boys')	14.8	12.5	10.8	8.4	10.0	243	10.5
Men's Furnishings & Accessories	9.5	4.4	12.0	8.9	12 1	111	9.3
Ready-to-Wear Specialty Stores (Women's)	2.9	13.0	13.5	7.3	2.3	271	7.8
Clothing (Family)	...	...	...	7.4	8.9	102	8.0
Shoes (Family)	3.8	2.1	3.9	7.4	7.8	270	4.9
AUTOMOTIVE:							
Motor Vehicle Dealers (New and Used)	60.6	...	26.9	32.9	32.1	200	32.3
Garages (With Parts & Repairs)	...	...	...	13.7	19.3	85	17.3
Filling Stations	0.5	27.0	4.1	8.6	9.5	198	10.7
EQUIPMENT—CONSTRUCTION:							
Furniture	22.6	16.2	24.7	16.7	28.3	329	20.4
Electric and Gas Household Appliances	29.6	11.8	25.1	19.8	25.7	105	21.7
Lumber and Millwork	15.7	24.5	31.7	34.1	35.0	263	29.4
Lumber and Building Supplies	52.5	32.0	24.0	23.8	23.6	294	25.1
Hardware and Farm Implements	...	...	...	25.6	48.4	174	39.0
Hardware	19.5	18.2	9.0	10.0	15.8	291	14.2
MISCELLANEOUS:							
Drug Stores	8.4	4.8	7.6	7.7	7.7	348	7.6
Jewelry	16.2	27.1	14.0	10.7	13.2	151	18.0

creases of 300 per cent or more in sales, perhaps a result of mergers. There is, however, sound reason to believe that motor car sales in the cities have risen faster than elsewhere, since total automobile volume in 1935 was 45 per cent larger than in 1934, and the increases reported here for the small towns fall far behind. A high rate of ownership turnover also prevails among automobile dealers and the sharing of business between old and new dealers may account for some of the discrepancy between the 32 per cent growth reported by these dealers and the 45 per cent mentioned above.

The changes reported by filling stations in the various sizes of cities are erratic and difficult to interpret. It seems likely that competition among the large chain organizations and refiners place the average independent operator at a disadvantage in the important metropolitan centers, yet a fair sample of independent filling stations reports a 27 per cent increase in business in cities of 100,000 to 500,000. It may well be that the decrease of sales recorded by a few stations in cities of over 500,000 people results from severe competition by chain filling stations and price wars between the large oil companies. From our figures here it cannot be proved that gasoline sales in cities have failed to increase as rapidly as in the country. There is every indication that both the sales and the usage of automobiles in our cities has recovered very rapidly.

The general garage, with repair service and a limited stock of parts and accessories, has become more and more a small town type of business. The equivalent work in the cities is done largely by automobile dealers' service departments, and those independent repair garages remaining in the cities are commonly small one-man organizations with such limited bookkeeping that very few reports are received from them in the Retail Survey. In the villages garages do slightly better than in the towns of 5,000 to 30,000, although there is no converse tendency for automobile dealers to report a slower rate of improvement in the small villages.

Equipment—Construction

The improvement in furniture business is encouraging in all sizes of towns, though cities of 100,000 to 500,000, and the towns of 5,000 to 30,000 fall below the remaining three groups. It would be interesting to know whether the exceptionally good improvement recorded by furniture stores in towns of less than 5,000 people partially reflects the development of roadside furniture stores on main highways in the eastern part of the United States. Such outlets are quite different from small town furniture stores, since they are designed to draw their clientele from the motoring public and not from residents of the immediate locality.

Electric and gas household appliance stores also report rapid recovery except in the cities of 100,000 to 500,000 people.

Lumber and millwork dealers report distinctly the best improvement in the small towns, with consistently smaller percentage gains in every group as the larger cities are inspected. Exactly the reverse situation is recorded by the broader line dealers in lumber and building supplies. Both sets of figures reflect the beginning of recovery in the construction industry, but the apparent contradiction just noted may result from the pressure of building code regulations favoring fireproof materials in the larger cities, while the naturally bulky character of farm buildings and the lower cost of wood construction favor lumber in the small town and rural areas.

Farm implement stores, as a whole, report the largest percentage increase of the entire twenty-two lines of trade, with the small village dealers doing decidedly better than the stores in towns of 5,000 to 30,000. The fact that most of this improvement results from long delayed purchases of farm implements is confirmed by reports from straight hardware dealers, where the results in the large and medium size cities are better than in the smaller cities and towns.

Miscellaneous

Drug stores report an almost uniform rate of increase, about 8 per cent, with the exception of a group in the cities of 100,000 to 500,000, where it appears that business has either failed to pick up as rapidly, or price wars may have been more serious in the retail drug trade.

The limited sample of jewelry stores reported here is well spread among the several sizes of cities and the increases show no consistent trend in favor of large or small towns. The outstandingly favorable item, a 27 per cent increase recorded by jewelers in cities of 100,000 to 500,000, is, to a considerable degree, the result of exceptional gains by two large concerns.

Conclusion

The cautions emphasized above regarding the interpretation of these figures should not obscure their importance. Previous comparisons of city and country retail trade trends have depended on the assumed equivalence between department store sales, which advanced only 7 per cent, and rural mail-order sales, which went up 26 per cent. Although both are general merchandise operations, the former depend heavily on clothing trade, which advanced slowly in 1935, while the latter sell a larger proportion of "durable goods": automotive supplies, farm equipment, etc., in which lines replacement needs made 1935 a good year. Hence such a comparison might be strongly biased in favor of the small towns. In the comparison presented here the same trade is followed through the several sizes of towns, and the result is believed to be a rather accurate picture.

If the percentage increase for a certain trade in any one size group of towns is examined in the light of the type of employment and the known conditions in the trade, further significant observations should be possible.

FEDERAL TRADE COMMISSION DECISION IN THE GOODYEAR CASE

by EDWIN B. GEORGE

This is the first of two articles discussing the problem of quantity discounts within the focus of the Goodyear decision. This article presents the problem in its setting. The second one will discuss the factors entering into the Commission's decision and the interesting area of speculation that it opens up.

ARTICLE I

ON March 5 the Federal Trade Commission, after considering the problem for more than two years, found that the Goodyear Tire & Rubber Co. was unlawfully discriminating in price between Sears, Roebuck & Co. and other purchasers of tires and was, therefore, violating Section 2 of the Clayton Act. A cease and desist order was issued.

This decision was of unusual importance to both business and the public. The issue of when a price differential becomes an unfair price discrimination is part of a long-smoldering conflict between and among large and small sellers and large and small buyers. In this decision, the Commission went definitely beyond most of its previous attempts to define and exercise the powers reposed in it by Section 2 of the Clayton Act, and therefore produced a detonation that by comparison momentarily stilled the more familiar noises of battle. For the same reason, the decision may exercise an influence on whatever may be the next stage in the country's perpetual merchandising evolution. It is the issue, of course, that is important. The companies immediately involved were hardly more than symbols of some of the interests at stake.

Present and Potential Significance

The decision has both special and economic implications. It strikes at pricing practices that are now deeply imbedded in custom. To completely tear them up, assuming such a possibility, would mean tearing up much of the atomic tangle of modern distributive relations of which they are a part. The philosophy implicit in it, if carried to a literal conclusion, could affect the basic competitive position of thousands of individual establishments. It does not have either the political significance of new legislation or the judicial significance of Superior Court decree, but it happens oddly enough to be in the swim of much current political thinking and it poses to the courts an interesting new problem in legal evaluation of economic evidence.

Many business elements have for years been pressing for tighter legislative control over price differentials, as well as for more general measures that might help the little man in his highly advertised battle to survive. That agitation is finding current expression in such varied forms as the Patman-Robinson Bill, the Borah-Van Nuys Bill, Chain Store Tax Legislation, and numerous State Fair Trade Laws. As price differentials constitute but a phase of interlocking distributive practices, demands for other specific legislation, such as resale price maintenance, are by no means unrelated to this issue on which the Federal Trade Commission has now expressed itself after two years of deliberation. The existing graduated corporation tax likewise deals in its own broad way with the issue of bigness and smallness within which the problem of price differentials can be located, although it is important to note that many of the strongest discriminative arguments turn on a careful distinction between "bigness" and "practices."

Clayton Act Background

Section 2 of the Clayton Act, passed on October 15, 1914, reads as follows:

> "That it shall be unlawful for any person engaged in commerce, in the course of such commerce, either directly or indirectly, to discriminate in price between different purchasers of commodities, which commodities are sold for use, consumption, or resale within the United States or any Territory thereof or the District of Columbia or any insular possession or other place under the jurisdiction of the United States, where the effect of such discrimination may be to substantially lessen competition or tend to create a monopoly in any line of commerce; *Provided*, That nothing herein contained shall prevent discrimination in price between purchasers of commodities on account of differences in the grade, quality, or quantity of the commodity sold, or that makes only due allowance for difference in the cost of selling or transportation, or discrimi-

nation in price in the same or different communities made in good faith to meet competition: *And Provided Further, That* nothing herein contained shall prevent persons engaged in selling goods, wares, or merchandise in commerce from selecting their own customers in *bona fide* transactions and not in restraint of trade."

Historically, the Federal Trade Commission has not found it easy to administer and apply Section 2 of the Clayton Act. In 1923 it issued an order designed to compel the Mennen Co. to allow the same discount to co-operative buying agencies established by retailers as was allowed to wholesalers, which order was reversed by the Circuit Court of Appeals. The Court concluded that Section 2 forbade only such price discrimination as tended to suppress competition between sellers, but did not extend to price discrimination which might hinder competition between one who purchased at the discriminatory price and those who were in competition with him. Likewise in cases against The National Biscuit Co. and Loose-Wiles Biscuit Co., the Circuit Court of Appeals for the Second Circuit held in 1924 that the section had no application to a lessening of competition in the resale of a commodity. Certiorari to review this later decision was denied by the Supreme Court, although in a private suit which reached it five years later (Van Camp *vs.* American Can Co., *et al)*, the Court ruled that the words of the section "in any line of commerce" outlawed not only discrimination which substantially lessened competition between sellers but also between the buyer and his competitors. Different elements were of course present in these various cases, so that the citations are not intended to be construed as a clear-cut finding on the single point of price discrimination. In any event the complete meaning of this section is still far from established, and to use its own language (Final Report of Chain Store Investigation) the Commission was naturally discouraged with respect to the institution of further proceedings.

On various occasions the Commission has commented on the difficulties standing in the way of clear cut administration of this part of the Clayton Act. The concepts "quantity" and "cost of selling" have continually given trouble in fixing the legal status of discrimination. Premonitory of the recent Goodyear decision, the Commission said in 1934: "If the section be taken to mean that any difference in quantity justifies any amount of discrimination, it is obvious that the section may be readily evaded and gives no substantial protection against the evil denounced." In its 1935 Annual Report the Commission repeated this observation and added: "For the purpose of classification and promoting a more effective enforcement of this section, the Commission recommends that the section be amended to clearly define the discrimination in price intended to be forbidden." It suggested for consideration the enactment of legislation supplementing Section 2 so as to require all manufacturers of merchandise other than perishables, selling in interstate commerce, to report promptly to the Federal Trade Commission whenever they made special discounts and allowances which were not openly and generally made and published to the trade. Under this plan, the Commission would have been authorized to order discontinuance or modification of any special prices and discounts schedules which it found to be unfair or unreasonable as measured by the savings in cost of production or distribution.

In the Goodyear decision, the Commission has put its ideas to one of the most definite tests yet ventured. That the test will be completed seems assured by the recent application of the Goodyear Tire & Rubber Co. to the Federal Circuit Court of Appeals for a review of the Commission's order.

Salient Points of Decision

The salient points of the Goodyear decision were as follows:

1. Goodyear violated Section 2 of the Clayton Act.
2. Goodyear is therefore ordered to cease and desist from (general principles only, important details and qualifications omitted at this point):
   (a) Selling to Sears-Roebuck at net realized prices lower than those at which it sells comparable sizes, grades and qualities to independents, making due allowance for differences in transportation and selling cost.
   (b) Selling to Sears-Roebuck at an aggregate price based upon cost plus a fixed ratio of profit, which is less than a price to all other resellers based upon costs as customarily computed (excluding advertising and selling expenses on Goodyear brands) plus net profit realized in such sales.
3. Some of the high points of the findings were as follows:
   (a) On the date of Goodyear's last contract with Sears-Roebuck (October 5, 1931 to run until December 31, 1942) a secret agreement was entered into involving transfers of Goodyear's common stock to Sears-Roebuck.
   (b) Goodyear's net price discrimination in favor of Sears-Roebuck, after making due allowance for selling and transportation costs, ranged from 11 per cent to 22 per cent on eight popular sizes of tires.
   (c) Goodyear concealed from its own sales organization and from the trade generally, including Sears-Roebuck competitors, the prices and terms at which it was selling tires to Sears-Roebuck.
   (d) Sears-Roebuck was thereby enabled to undersell, at a profit to itself, all retail tire distributors. Its retail prices on tires purchased from Goodyear ranged from 20 to 25 per cent lower than the prices of comparable tires sold by other retail dealers except for one year. Its volume increased more rapidly than that of any other retail distributor from 1926 to 1930, and it is still the largest retail distributor of tires in the United States.
   (e) Sears-Roebuck competition was a major factor in driving out of business a large number of retail tire dealers, and in substituting for them mass distributors and other large volume dealers.
   (f) This decline in the number of independent retail tire competitors has in turn driven out of business numerous small tire manufacturers.
4. Some of the high points of the reasoning and conclusions were as follows:
   (a) The foregoing price discriminations have the tendency to create a monopoly in Goodyear in the distribution of rubber tires, casings and tubes to wholesalers and retail tire dealers which they now own or control. They also tend to create a monopoly of retail distribution in Goodyear and Sears-Roebuck.
   (b) Unless differences in price on account of quantity are approximately commensurate with differences in cost, the Commission considers that the discrimination will create unjust pref-

erence and unfair competitive conditions. The evidence in this case shows that the difference in price to Sears-Roebuck and to independent dealers far exceeds any demonstrated difference in saving.

(c) If the quantity proviso (in the Clayton Act) be interpreted to mean that a manufacturer can discriminate with respect to quantity sales to any extent that he desires, the section would be rendered meaningless and ineffective. It it were left to the manufacturer to make the price solely on account of quantity, he could easily make a quantity discount so high to be practically open to the largest dealers only.

(d) Under the Clayton Act, a manufacturer may not make his bargains according to his own interests by discriminating as he pleases, however honest and however justifiable such course might be from the standpoint of commercial principles. Otherwise large industrial companies could through price discrimination control competitive business conditions among their customers to the extent of enriching some and ruining others.

(e) The proviso in the Act permitting discrimination made in good faith to meet competition is available to Goodyear only if its manufacturing competitors have already made an equally low and discriminating price to Sears-Roebuck. Any other interpretation than one permitting economic discrimination for defensive purposes only would nullify the effectiveness of the whole section.

(f) In the statute, "Where the effects of such discrimination may be to substantially lessen competition," the words "where the effect may be" are obviously used merely to indicate that it is *tendency* and *probable effect* rather than the *actual results* that are important. The words "may be" indicate neither bare possibility, nor certainty, but probability.

9. The hypothesis which underlies Section 2 of the Clayton Act is that price discriminations not justified on the basis of cost and efficiency create unfair competitive conditions, and that unfair competitive methods of themselves tend toward monopoly.

10. The price discrimination to Sears, Roebuck & Co. was not justified on account of differences in the grade, quality or quantity of the commodity sold, or by differences in the cost of selling or transportation, or by good faith to meet competition, and it had the effect of substantially lessening competition and tending to create a monopoly.

That a large area of American business can be affected by this decision, if sustained by the courts, is beyond question. The following census classification of retailers by size groups is suggestive of at least the graduation in interests involved: The 1933 Census of American Business showed nearly 1,000,000 retailers doing less than $10,000 business a year and only 765 doing more than $1,000,000 a year, and another half million tapering between them.

Such figures as these bracket in a cold way the diverse interests of hundreds of thousands of business men who will be anything but cold in their separate reactions to this most recent pronouncement of the Federal Trade Commission. Retailers of course, even though they are divided among themselves as to the wisdom of legislative efforts to narrow price differentials, are scarcely more concerned than most of the other functional groups in the distribution system. The breakdown of manufacturers into various sized and variously functioning groups, is almost as intricate as it is in retailing. Wholesalers, in their vulnerable midway position between manufacturers and retailers, will obviously have a stake in the outcome. The treatment of brokerage as a cost of selling or as an independent cost will be involved as it usually is in major distribution problems; witness for example its prominent position in the Patman Bll.

It would result in an overly subdued picture, however, to judge the effect of drastic changes in distribution methods by a mere enumeration of the functional groups affected. The N.R.A. learned only too well that, although controls might be intended to apply only to the industries asking for them or to certain designated practices, the distribution system is so organic and complex that the effects of such experiments rarely stop in the area in which they start.

Efforts to reduce price differentials turned out to be a natural sequel to the retail mark-up. Open price filing was often followed by a demand for resale price maintenance or compulsory price filing by jobbers. The swift manner in which the brokerage issue brought agricultural and commercial cooperatives to their feet, as well as chains and wholesalers, is another illustration. In this present case, the effect on many private brands is likely to be considerable and immediate. Retailers, wholesalers, manufacturers, etc., were referred to above as simple functions. Far from constituting separate planes of the distribution mass, however, they are crisscrossed with an infinite variety of subfunctions performed in different ways and degrees.

There are no water-tight compartments in distribution. A drastic change at any one point, such as a shift in the alignment of a few important manufacturers' discounts, can change the character of competition throughout an industry and several trades. While it is not implied that any particular change will be transmitted completely through this fabric of functions, their integration and overlapping render estimates of the probable effect of changes anything but easy.

The prevalence of price differentials in business intercourse may also be taken for granted. It may even be generally conceded that price discrimination for sound or unsound reasons has been an active principle in making our distributive structure what it is. The chain store investigation of the Federal Trade Commission revealed clearly enough and without prejudice that price differentials in favor of mass distributors are common. The final report stated that, "based on the unweighted figures of grocery items purchased by consumers at chain and independent stores, it would appear that as high as 45 per cent of the difference between chain and independent selling prices on standard grocery items is attributable to the lower buying prices of the chains. . . ."

The same practices are of course to be found in the relations of manufacturers with commercial and agricultural cooperatives, central buying offices, retail buying exchanges, retailer-owned wholesalers, voluntary chains, national syndicates, large individual buyers, and mail-order houses, as exemplified by the Goodyear case.

ARTICLE II., setting forth some of the considerations seeming to favor or oppose controls over price differentials, will appear in the next issue.

RADIO SALES REACHING UPWARD FROM THE NEW HIGH OF 1935

by RAYMOND BRENNAN

WHILE the radio industry doubtless had the best year in its history in 1935, the insatiable demand for its products has headed both production and distribution toward new peaks in 1936. Retailers in practically all parts of the country have been encouraged by the progress thus far this year, and in some quarters wholesale houses expect to double their 1935 volume. All of the stimulants necessary for broadening distribution will be provided by the Presidential election, the payment of the bonus, the Olympic games, and the growing need for highly-perfected radio receivers.

In view of the spreading replacement field and the loss of sales caused last year by delayed factory shipments, operating schedules have been advanced over those of the comparative 1935 period, and attempts are being made to accumulate stocks. Of the estimated total of 25,000,000 radio receiving sets in operation in the United States at the close of 1935, conservative trade calculations place at least 20 per cent as more than five years old, the normal life of the average radio. Experiment work on television has been extended, but production is held unlikely this year.

New Production Peak

Practically all makers have commented upon the increase in radio consciousness on the part of the general public. Metal tubes and the short-wave reception facilities of the modern instrument have engendered more avid interest, as oversea programs, including speakers of eminence, could be enjoyed. The absence of excess stocks has lessened unfair competition, and the more stable price level has allowed a reasonable profit to be realized by all divisions.

Sales of Radio Receiving Sets †

Year	Number	Retail Value*
1922.....	100,000	$5,000,000
1923.....	250,000	15,000,000
1924.....	1,500,000	100,000,000
1925.....	2,000,000	165,000,000
1926.....	1,750,000	200,000,000
1927.....	1,350,000	168,750,000
1928.....	3,281,000	388,000,000
1929.....	4,438,000	592,068,000
1930.....	3,827,800	332,198,000
1931.....	3,420,000	212,040,000
1932.....	2,620,000	124,860,000
1933.....	3,806,000	130,899,000
1934.....	4,084,000	178,500,000
1935.....	4,750,000	237,455,000

(*) Less tubes. (†) Source: *Radio Retailing.*

After turning out the largest number of sets in 1935 in the history of the radio industry, manufacturers have set schedules ahead to eclipse that record in 1936. In some divisions, operations were 15 to 20 per cent more than in January and February a year ago, with further advances planned for the second quarter. Most of the output has consisted of consoles in the medium and higher-priced ranges, in both short and combination wave lengths. Stocks are being accumulated, wherever possible, in order to avoid the delivery delays, which curtailed sales last Fall.

The United States Department of Internal Revenue collected $601,144 for January, 1936, from the 5 per cent excise levy on the radio manufacturers. A year ago for the same month the amount collected was only $398,177, so that 1936 started with a 51 per cent increase in this respect. From the 1935 figures, it can be computed that around 800,000 radio sets were turned out during the first month of the current year.

Reaching a new peak, American manufacturers produced 5,375,000 radio sets in 1935, according to *Radio Retailing*, which was 14.5 per cent in excess of the 1934 total of 4,696,000. The latter marked the first time that the previous record, set in 1929, had been surpassed. Automobile receivers totalled 1,100,000 units, or 40 per cent more than in 1934, while output of battery-operated receivers went up to 350,000. The number of tubes amounted to 75,000,000, a gain of 16 per cent over the year preceding.

Official license-bureau figures, as compiled by *Radio Today*, revealed the record radio sales made during 1935. The total was 6,026,000 units, with a retail value of $304,300,000, computed on factory selling prices equalling 42 per cent of retail prices. For 1934 this same compilation showed 4,540,199 radio sets sold, thus making the increase for 1935 about 1,500,000 sets, or a gain of 33 per cent. The unit value per set went up 7½ per cent in 1935 over that of 1934, rising from about $46.90 to $50.50 per set, both retail.

Sales Gains Extended

In spite of the new record that was made in sales of radio sets in 1935, distribution thus far this year has been at a constantly-widening rate. While percentage gains in 1936 are expected to be smaller than those set down for 1935, sales in January were 15 to 20 per cent larger than a year earlier, and in February 25 to 30 per cent. Demand has been stimulated by the introduction of metal tubes, the better broadcast entertainment, and the general desire to replace obsolete sets with modern all-wave units.

Fully 75 per cent of the sales made were in all-wave or combination long and short-wave sets. Demand has held closely to the nationally-advertised receivers, with but small interest accorded the off-brand units. Replacements in some districts have run as high as 50 per cent of the total sales, with a marked increase in the number of purchases for cash. About 60 per cent of the all-wave floor models sold were to families that had been using a table set for three years or more.

The shift to the more expensive larger sets with quality performance, which started last Summer, has become increasingly evident. While some of these sales have involved trade-ins, consoles ranging from $125 to $350 have accounted for as much as 40 per cent of the sales thus far this year. The modern stream-lined effects in cabinets are growing in popularity, but there has been no relaxation of the demand for the various period designs.

Trade-In Practice Growing

Owing to the widening replacement sales, retailers have attempted to turn the necessary evil of trade-ins into a profitable transaction. No uniform method has been adopted, as yet, each retailer being forced to depend on his own ingenuity to hold these to a minimum. A national survey of the retail trade-in practice, which was completed recently by *Radio Retailing*, showed that 98 per cent of all dealers now accept such trades. These are taken on about 61 per cent of all new set business, which checks closely with the estimate that 70 per cent or more of all new business is replacement.

When it comes to deciding trade-in policy, *Radio Retailing* found four distinct schools of thought. About 30 per cent of all retail stores allowed something on trades, regardless of the price paid for the new receiver. Some 55 per cent would not touch a trade-in if the selling price of the set were less than $39. While frequently making exceptions, 8 per cent claimed that trades were confined exclusively to console sales. The remaining 7 per cent accepted used sets only when these could be resold at a profit.

What was Spent for Radio in 1935 *

5,700,000 radio sets, with tubes	$336,000,000
39,000,000 tube replacements..	31,000,000
Electricity and batteries to operate 25,500,000 home sets	154,000,000
Repairs and servicing of sets (minus replacement tube sales)	68,000,000
Broadcasting time sold	86,000,000
Broadcast talent costs	25,000,000
1935 Total	$700,000,000

(*) Source: *Radio Today.*

Price Level Steady

With the exception of a few minor fluctuations, prices of most radio sets have remained unchanged since last Summer. Moderate increases have been made on some of the more expensive sets, while reductions were effected chiefly to move old models, stocks of which were small.

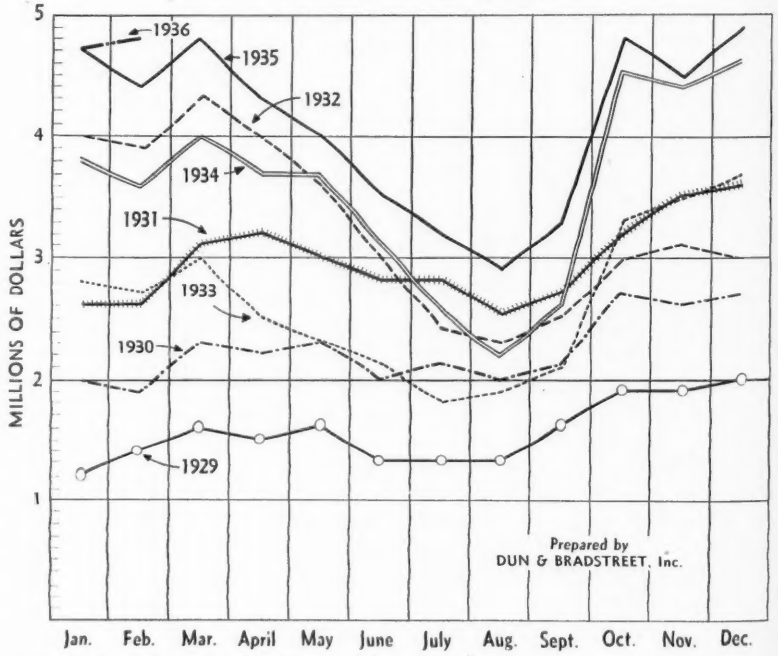
Although price advances have occurred since the first of the year, and a general upward trend is in prospect, no revisions of consequence are anticipated until early Summer, when the 1937 models will be introduced. The improved sets of the better makes doubtless will show the largest mark-up, with nominal decreases affecting only the less popular long-wave receivers.

Collections, as a whole, have been satisfactory, as finance companies have been taking more radio paper since the early part of 1934. The general status showed an improvement of 10 to 15 per cent over a year ago. Installment accounts were reported as in the best condition in six years, with credit restrictions less severe.

More Advertising Broadcast

The percentage of gain in the production of radio receivers was closely in alignment with the expansion in national network advertising broadcast. The latter went to a new high in 1935, as it reached $50,067,686, which was an increase of 15.5 per cent over the previous record set in 1934 at $42,549,000. For every month in 1935 the advertising broadcast ex-

NATIONAL ADVERTISING BROADCAST *



(*) Based on statistics compiled by "Survey of Current Business."

Reaching a new high, national radio network advertising broadcast in 1935 totalled $50,068,000, which exceeded by 15.5 per cent the previous record set in 1934 at $42,549,000. When compared with the 1933 volume, the depression low point, the gain amounted to 56.2 per cent; and 25.8 per cent over 1932 total.

ceeded the compatives of all preceding years, with the peak reached in December at $4,944,000. When compared with 1933, the 1935 total was higher by 56.2 per cent, and over 1932 showed a gain of 25.8 per cent.

The most important gains in the national network field were an increase of 24.4 per cent in automotive advertising, a rise of 23.7 per cent in food sponsorship, and a gain of 27.9 per cent in drug and pharmaceutical advertising over the 1934 totals. The miscellaneous group rose 41.6 per cent during the year, indicating a widening sponsorship of broadcast advertising. Both financial and beverage advertising volume declined.

Local Gains Largest

Continuing its growth of recent seasons, broadcast advertising reached a new high point in 1935, according to *Broadcasting*. Total gross time sales were $87,523,848, a gain of 20 per cent over the 1934 volume. The increased advertising revenues placed the 1935 total at 53.5 per cent above the estimated 1933 figure of $57,000,000, which constituted the depression low for broadcasting. Gross revenues also exceeded the predepression high, estimated at $70,000,000 for 1931, by 25 per cent.

Total Broadcast Advertising Volume, 1935 *

(Gross Time Sales)

Class of Business	Total
National Networks	$50,067,686
Regional Networks	1,110,739
National non-network	17,063,688
Local	19,281,735
Total	$87,523,848

National Non-Network Advertising

(Gross Time Sales)

Type of Rendition	
Electrical Transcriptions	$5,870,614
Live Talent Programs	8,015,119
Records	103,914
Announcements	3,074,121
Total	$17,063,778

Local Broadcast Advertising

(Gross Time Sales)

Type of Rendition	
Electrical Transcriptions	$1,743,894
Live Talent Programs	9,664,411
Records	745,157
Announcements	7,128,273
Total	$19,281,735

(*) Source: *Broadcasting.*

The rise of broadcast advertising during 1935 was accompanied by a number of interesting developments within the medium. Regional network and national non-network advertising took on new importance. Following a slight recession in 1934, local broadcast advertising exhibited marked strength in 1935 and more than offset the previous year's losses.

Percentage of Broadcast Advertising Presented by Various Types of Sponsoring Business: 1935 *

Type of Sponsoring Business	*National Networks*	*Regional Networks*	*National Non-network*	*Local*	*Total*
1a. Amusements	.....	.....	.3%	2.6%	.6%
1—2. Automobiles and accessories:					
(1) Automobiles	6.9%	.7%	10.5%	4.9%	7.1%
(2) Accessories, gas and oils	8.6%	14.1%	6.6%	5.0%	7.5%
3. Clothing and apparel	.9%	4.9%	2.2%	14.3%	4.2%
4—5. Drugs and toilet goods:					
(4) Drugs and pharmaceuticals	12.3%	6.9%	20.5%	4.8%	12.1%
(5) Toilet goods	20.6%	3.0%	5.0%	1.4%	13.1%
6—8. Food products:					
(6) Foodstuffs	20.9%	24.5%	20.6%	12.5%	19.0%
(7) Beverages	6.0%	2.9%	3.9%	5.5%	5.5%
(8) Confections	2.6%	4.3%	2.5%	.7%	2.2%
9—10. Household goods:					
(9) Household equipment and furnishings	1.1%	7.5%	3.9%	10.9%	3.9%
(10) Soap and kitchen supplies	5.6%	4.6%	5.5%	.5%	4.5%
11. Insurance and financial	.9%	.5%	1.2%	3.5%	1.5%
12. Radios	2.2%	.....	.8%	1.0%	1.6%
13. Retail establishments	.1%	.1%	.6%	8.6%	2.1%
14. Tobacco products	7.1%	15.3%	2.7%	.4%	4.8%
15. Miscellaneous	4.2%	10.7%	13.2%	23.4%	10.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%

(*) Source: *Broadcasting.*

Failure Increase Small

Failures in the radio industry during 1935 held closely to the record low level of the year preceding. The total was 49, as against 46 in 1934, or a gain of 3. All of this increase occurred in the wholesalers' and retailers' group, which went to 42, or higher by 5, as the manufacturers' group dropped 2, bringing it down to 7, the fewest ever listed. Since 1930, when the peak was established at 257, the trend has been irregularly downward, with the 1935 number of 49 below the 1930 figure by 80.9 per cent.

The defaulted indebtedness in 1935, however, did not increase with the number of failures, but declined to the smallest amount in the trade's history at $493,624. The latter was a decrease of 84.3 per cent from the 1935 total of $3,148,746, and marked the first time in the last five years that the annual indebtedness has fallen below $3,000,000. From the all-time high reached in 1931 at $9,067,804, the liabilities involved in the 1935 failures were lower by $8,574,180, or 94.6 per cent.

The complete insolvency record of the radio industry from 1930 to February, 1936, inclusive, as compiled by Dun & Bradstreet, Inc., shows:

Manufacturers

Year	Number	Liabilities
1930	40	$3,522,400
1931	15	4,088,445
1932	23	1,826,995
1933	25	3,719,519
1934	9	941,338
1935	7	156,000
1936*	2	21,500

Wholesalers and Retailers

Year	Number	Liabilities
1930	217	$2,071,392
1931	160	4,979,359
1932	170	1,978,678
1933	109	1,813,980
1934	37	2,207,408
1935	42	337,624
1936*	9	134,552

(*) January and February.

These statistics of commercial failures are exclusive of applications under Section 77B. From June 7, 1934, when Section 77B of the New Bankruptcy Act became effective, to December 31, 1935, applications were filed under this section by 3 manufacturers in this industry and by 1 wholesaler and retailer.

NUMBER OF 77B CASES IN MARCH NEAR RECORD LOW

ONLY fifty cases were reported under Section 77B of the Bankruptcy Act during the month of March. This is the lowest figure on record since the amendment went into effect in June, 1934, with the single exception of September, 1934. It is a decrease to almost half of the February figure, in spite of the fact that March was the longer month, and a decrease to three-fifths of March of last year.

This March drop bears out the observation that a low monthly figure usually follows a high month and raises the question as to whether the April figure will be high enough to continue what has seemed to be a gradual but steady upward trend since the low figure of last September, or whether it will begin a new downward movement.

Monthly Comparison of 77B Applications and Commercial Failures

	77B Applications	Commercial Failures
1934		
June	97	992
July	73	870
August	98	872
September	69	771
October	65	1,039
November	96	882
December	94	933
Total 7 Mos., 1934	592	6,359
1935		
January	106	1,146
February	76	956
March	82	940
April	146	1,083
May	88	1,004
June	81	944
July	70	902
August	94	884
September	48	787
October	78	1,056
November	57	898
December	86	910
Total, 1935	1,012	11,510
1936		
January	59	1,077
February	95	856
March	50	946
Total 3 Mos., 1936	204	2,879
Total U. S.	1,808	20,748

Compared with a year ago, the breakdown into industrial groups shows that the big decrease was in the type of cases not included in Dun & Bradstreet's classification of commercial failures. That is, they were mostly real estate and financial holding companies.

If these non-classified companies are eliminated from the total, the manufacturing firms account for 43 per cent of the total against 48 per cent a year ago. The decrease was in food companies and manufacturers of iron, steel and machinery products. The large decrease from last month took place consistently throughout all the large groups. In manufacturing the largest drop was in foods, and leather products, and in retail trade in wearing apparel.

There are so few cases in some of the groups and the monthly records are so erratic that the detailed table by subdivisions for the month has been discontinued, but on the following page will be found the quarterly record of cases in all the subgroups since the procedure first went into effect.

Of the fifty recorded cases for March about one-third were started in the nineteen-thirties; another one-third in the nineteen-twenties; five are about twenty years old; and nine are well-known concerns established at the turn of the century or before.

Three of the companies have been through bankruptcy before, three others have had small suits against them, three have trustees in charge, and six succeeded other companies which had operated with doubtful success.

It is extremely difficult to generalize about the exact causes of their trouble. In certain groups or individual cases, however, the problem of diagnosis is not impossible. Five of them were large real estate holding companies operating business blocks, hotels, or resorts, and all suffering from the same situation—inability to pay interest charges on heavy mortgages, although rents from their valuable properties were sufficient to cover taxes and operating expenses. They were capitalized from $250,000 to $3,000,000.

77B Applications by Main Divisions of Industry—March, 1936 and 1935

	March, 1936	Feb., 1936	March, 1935
Manufacturing	18	37	29
Wholesale Trade	5	6	8
Retail Trade	12	23	13
Construction	2	3	1
Commercial Service	5	10	9
Others (a)	8	16	22
Total U. S.	50	95	82

(a) Not included in classification of commercial failures.

Heavy fixed charges also were the cause of the trouble of a large retail food chain of 27 stores. It is the outgrowth of a business started by one man in 1903 and now capitalized for $3,000,000. In the early years it expanded rapidly and invested its profits in real estate and the carrying charges are now out of proportion to earnings. A similar situation has caught a large furniture business in operation since 1910. Its surplus funds during a prosperous period were invested in real estate which is now heavily mortgaged.

There are three automobile agencies in trouble because of slow collections and often struggling with chattel mortgages on cars in stock.

Six companies, capitalized between $20,000 and $60,000, are established new businesses, capably and conservatively managed, but they are becoming slow in their trade payments through lack of

working capital. Some of them are seasonal businesses, and it would seem that their need is for a liberal attitude on the part of creditors.

A large lumber business under the management of the sons of its founder tied up capital in the last few years in speculative merchandise purchases.

Undue expansion led to the collapse of one large manufacturing company which had operated profitably since 1890. It found its business practically at a standstill in 1934, but encouraged by the pick-up in business in 1935 borrowed $100,000 from the Federal Reserve Bank for new equipment and to increase its working capital. The expected rise has been too slow in materializing.

Another large food manufacturing company in existence since 1902 and capitalized just under $1,000,000 has had its assets attached as a result of an automobile accident involving liabilities so great that it is left with insufficient working capital to conduct its business, although an increasingly large volume of business is being done at the present time, due to the great popularity of one of its new products.

Quarterly Figures

The table showing seven quarters gives the complete picture of the use which has been made of Section 77B. The number of cases increased each quarter up to the Spring of 1935, since which time there has been some decline.

One of the most interesting points brought out by this table is that manufacturing firms constitute 40 per cent of those taking advantage of the Act and retail firms about 20 per cent, whereas the commercial failures tables show that manufacturing bulks about 17 per cent and retail firms make up almost two-thirds. This would indicate that the large well-established firms use 77B as a means of reorganizing and conserving their assets.

Wholesale trade and commercial service groups are in general most steady in numbers, varying in a less degree from quarter to quarter than manufacturing or retailing. Companies handling food products are the outstanding ones in each stage of manufacture and distribution, with textiles, dry goods, and clothing next in importance.

The number of hotels, 99, and restaurants, 169, planning reorganization is striking. It is very probable that real estate holding companies, appearing in the unclassified list, also control other hotels among their properties, so that the actual number of hotels acting under 77B may be larger than is here apparent.

The cases not included in the commercial failures classification constitute about one-fifth of all 77B cases and are an important part of this group. As before explained, the bulk of them are real estate and mortgage companies, but there are also included such activities as clubs and schools, steamship lines, and also railroads, which are strictly Section 77 cases. The large motion picture companies and theaters, which have recently undergone reorganization, are in this group.

Quarterly Record of 77B Applications by Divisions of Industry—1934-1936

	1934			1935				1936	
MANUFACTURING	June	III*	IV	I	II	III	IV	I	Total
Foods	5	25	22	25	29	16	11	14	147
Textiles	3	18	7	13	18	11	6	15	91
Forest Products	3	9	8	11	12	7	8	8	66
Paper, Printing and Publishing	6	12	3	7	10	6	7	5	56
Chemicals and Drugs	1	1	5	2	5	4	3	3	24
Fuels	2	11	5	7	1	11	3	4	44
Leather and Leather Products	..	2	4	6	6	3	2	5	28
Stone, Clay and Glass Products	2	7	3	6	5	6	5	4	38
Iron and Steel	7	10	8	9	6	4	6	5	55
Machinery	3	9	5	8	14	4	7	5	55
Transportation Equipment	2	3	2	3	3	3	1	..	17
Miscellaneous	3	8	17	13	14	11	20	9	95
Total Manufacturing	37	115	89	110	123	86	79	77	716
WHOLESALE TRADE									
Farm Products and Groceries	3	6	7	7	10	5	5	3	46
Clothing and Furnishings	..	1	1	..	..	..	..	1	3
Dry Goods and Textiles	..	..	..	..	3	2	3	..	8
Lumber, Bldg. Materials, Hardware	..	1	..	4	8	3	1	2	19
Chemicals and Drugs	..	..	1	1	3	..	2	3	10
Fuels	..	2	..	1	3	1	..	1	8
Automotive Products	..	..	3	1	1	..	4	..	9
Supply Houses	..	..	..	3	2	1	..	5	11
Miscellaneous	5	8	9	4	6	9	10	2	53
Total Wholesale Trade	8	18	21	21	36	21	25	17	167
RETAIL TRADE									
Foods	..	7	6	3	2	2	5	6	31
Farm Supplies, General Stores	..	4	1	1	2	..	1	1	10
General Merchandise	5	5	2	9	6	5	4	2	38
Apparel	1	7	13	8	15	3	7	13	67
Furniture, House Furnishings	..	..	3	1	7	5	1	3	20
Lumber, Bldg. Materials, Hardware	..	3	1	3	3	3	2	3	18
Automotive Products	..	4	8	2	2	4	2	4	26
Restaurants	..	4	9	15	9	11	13	8	69
Drugs	..	..	..	2	3	3	2	2	12
Miscellaneous	2	10	15	4	8	8	8	4	59
Total Retail Trade	8	44	58	48	57	44	45	46	350
CONSTRUCTION									
Total Construction	2	1	5	4	3	1	4	6	26
COMMERCIAL SERVICE									
Cleaners, Dyers and Tailors	1	2	3	..	3	1	1	2	13
Haulage	..	2	1	6	5	2	2	5	23
Hotels	8	19	11	11	18	12	9	11	99
Laundries	1	..	5	5	2	5	2	6	26
Miscellaneous	..	1	2	1	6	4	2	..	16
Total Commercial Service	10	24	22	23	34	24	16	24	177
Others not included in Commercial Failures	32	38	60	58	62	36	52	34	372
Total U. S.	97	240	255	264	315	212	221	204	1,808

(*) Quarter.

COMMERCIAL FAILURES IN MARCH ABOUT AT LEVEL OF YEAR AGO

COMMERCIAL failures in March were practically the same in number and amount of liabilities as in March, 1935. The slight difference was an increase of six failures, or less than a 1 per cent change in numbers and a 5 per cent increase in liabilities. The following table shows the March failure record for the past seventeen years. The low point for March has apparently been reached.

March Failures, 1920-1936

	Number	Liabilities
1936	946	$16,270,809
1935	940	15,360,675
1934	1,069	24,002,519
1933	1,881	45,025,986
1932	2,951	93,760,311
1931	2,604	60,386,550
1930	2,347	56,846,015
1929	1,987	36,355,691
1928	2,236	54,814,145
1927	2,143	57,890,905
1926	1,984	30,622,547
1925	1,859	34,004,731
1924	1,817	97,651,026
1923	1,682	48,393,138
1922	2,463	71,608,192
1921	1,336	67,408,909
1920	566	12,699,325

Compared with February of this year, the figures are misleading because of the difference in the length of the months. Although there appears to be a March increase of 90 failures, the total averaged 35 a day for 27 working days, compared with 37 a day for 23 working days in February. The figures and diagram of the Insolvency Index show a clearer picture of the trend of March failures.

Insolvency Index

With the current issue the Insolvency Index has been revised. The new series is made necessary by the revisions made in the total number of business failures since 1934, discussed in the January and February issues of the *Review*. The revision has been extended back to January, 1933, and an overlap is shown for that year to permit comparison of the old and new series. It is evident that the revision, which consisted largely of eliminating failures in certain areas of economic activity not consistently covered by the Dun & Bradstreet service, lowered the index about four points and has had little effect upon the trend of the data.

The Insolvency Index measures the annual rate at which business concerns would fail if the number of actual failures and the estimated total number of business enterprises in any one month prevailed throughout the year. To obtain the index figure, the number of failures in the month is divided by the number of working days in the period and the result is multiplied by the number of working days in the year. The number of business concerns is determined from the number of names listed in the Dun & Bradstreet Reference Book.

Number of Failures

	1936	1935	1934	1933
January	1,077	1,146	1,317	2,851
February	856	956	1,017	2,309
March	946	940	1,069	1,881
April	...	1,083	1,020	1,859
May	...	1,004	942	1,846
June	...	944	992	1,576
July	...	902	870	1,360
August	...	884	872	1,430
September	...	787	771	1,077
October	...	1,056	1,039	1,165
November	...	898	882	1,189
December	...	910	933	1,083
Total U. S.	...	11,510	11,724	19,626

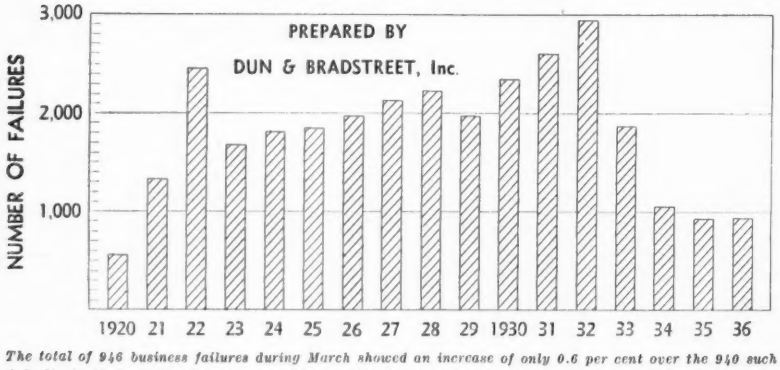
Liabilities

(Thousands of Dollars)

	1936	1935	1934	1933
Jan.	18,104	14,603	29,035	76,937
Feb.	14,089	15,217	16,772	61,939
Mar.	16,271	15,361	24,002	45,026
Apr.	.....	16,529	22,871	47,368
May	.....	14,339	20,787	44,646
June	.....	12,918	20,591	33,517
July	.....	16,523	16,555	25,123
Aug.	.....	13,266	15,703	38,067
Sept.	.....	17,002	15,552	20,781
Oct.	.....	17,185	16,973	27,799
Nov.	.....	14,384	14,376	22,414
Dec.	.....	15,686	16,981	23,842
Total U. S.	.....	183,013	230,198	467,459

Inasmuch as the contents of the book consists of data compiled during the weeks prior to its actual publication, the number of names in a book published in a particular month is taken to represent the total number of firms in existence two months before, *i. e.*, the March Reference Book would provide the January figure. Furthermore, although a new edition of the Reference Book is published every other month, it is necessary to interpolate for the intermediate months. This is done on the assumption that the intermediate points bear the same proportionate relationship to the known points as are shown on a smooth curve fitted to the seasonal fluc-

RECORD OF MARCH FAILURES



The total of 946 business failures during March showed an increase of only 0.6 per cent over the 940 such defaults in that month of 1935. Contrasted with the high point which was reached in March, 1932, a reduction of 67.9 per cent appeared. The advance from the low touched in 1920, amounted to 67.1 per cent.

tuations of the six known monthly points during recent years.

The March, 1936, figure shows a decrease. This appears to be a seasonal occurrence, as the table and diagram show February and March always in a declining movement from January.

Failures by Divisions of Industry

The table on failures by divisions of industry shows some interesting shifts in the scene of failures since March a year ago. The total figures are practically the same in the two years, so that changes within the groups are very apparent. Failures decreased 12 among manufacturers and 16 among the relatively small group of commercial service concerns, while they increased 13 among wholesalers and 15 among retailers.

The decreases in manufacturing should be correlated with the fact that manufacturers are large utilizers of the provisions of Section 77B. The downward trend of manufacturing and commercial service has been continuous for three years, while trade figures, both wholesale and retail, have gone upward. Wholesale failures are more numerous now than in either of the two previous years.

In the manufacturing group, failures are more distributed than in the trade groups and the movements in the different lines are varied. A study of the table will indicate those lines showing increased or decreased failures over a year ago, and will show an equal number moving in these contrary directions in both manufacturing and retail trade.

The wholesale trade group is preponderantly food and farm products; retail trade is largely governed by foods and wearing apparel, which this month moved in contrary directions. In the commercial service group cleaners and dyers experienced 10 fewer failures than a year ago.

The diagram on failures by divisions of industry shows that the course of all failures is determined largely by the number of failures in retail trade, which accounts for two-thirds of the total. It also shows the increase over February taking place in all groups.

DUN'S INSOLVENCY INDEX

Apparent Annual Number of Failures for Each 10,000 Listed Commercial Enterprises

	New Series				Old Series				Average
	1936	1935	1934	1933	1933	1932	1931	1930	1925-29
January	62.8	66.7	77.0	170.3	179.4	201.8	188.4	150.2	139.5
February	56.5	66.0	67.3	151.6	159.0	165.9	169.0	146.7	128.2
March	53.2	55.0	60.4	107.5	111.4	159.7	146.0	128.4	110.4
April	....	63.5	62.4	114.7	119.6	158.0	134.1	125.0	107.4
May	....	58.8	55.4	107.8	113.9	162.0	131.7	119.9	104.5
June	....	57.5	58.4	93.3	99.9	155.2	112.4	114.4	100.8
July	....	52.8	51.2	83.7	90.4	156.3	112.1	112.4	95.7
August	....	49.8	49.5	81.2	86.7	155.5	111.3	105.7	90.9
September ...	....	50.0	48.8	65.9	71.0	132.1	114.0	112.9	87.2
October	....	61.8	60.7	71.1	76.6	137.8	134.7	117.0	90.2
November	....	59.4	55.8	75.5	82.1	130.9	141.2	127.0	107.1
December	....	53.3	56.6	65.9	74.0	145.3	158.8	140.7	112.0
Average Yearly	57.5*	57.9	58.6	99.0	105.8	153.3	133.4	120.7	106.2

(*) Based on first three months.

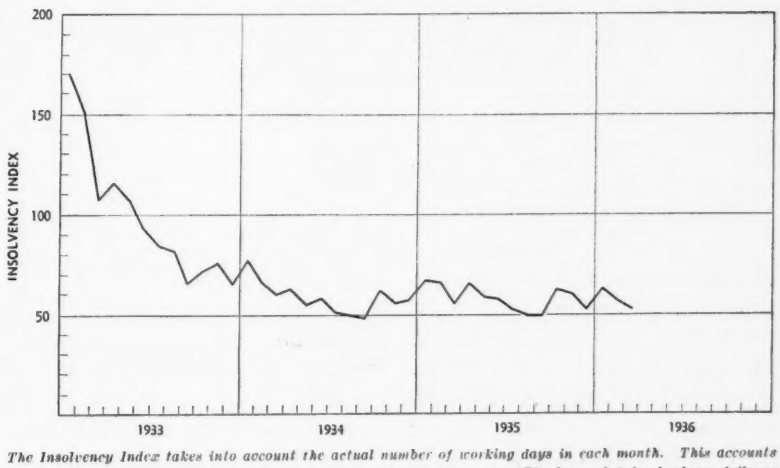
Failures by Size

The grouping of all failures by amount of the liabilities involved shows that the bulk of failures continues to be in the two smaller-sized groups, fairly evenly distributed between those with liabilities under $5,000 and those between $5,000 and $25,000. There has been an increase in the first group during March over a period of three years, and a net decrease in the second group, although March of this year is somewhat higher than last year.

The greatest change is the decided decrease in the number of failing firms with liabilities of from $25,000 to $100,000 and a consequent increase in the relative importance of failures in the smaller groups. This may be accounted for in part by the fact that it is the larger firms that are using 77B. The number of failures of $100,000 and over is practically the same as last March. These large failures account for 2.4 per cent of the failures and for 43.3 per cent of all the liabilities.

The apportionment of firms of these various sizes differs within the industry groups. In March of this year, the second group with $5,000-$25,000 liabilities constitutes over half of the failures in manufacturing and wholesale trade, and the first group of small businesses predominates in retail trade, with the second group following. Construction is an interesting group, in that failures are about evenly distributed as to size,

MONTHLY TREND OF THE INSOLVENCY INDEX



The Insolvency Index takes into account the actual number of working days in each month. This accounts for the seeming divergence in the March trends in the two diagrams. The low point for business failures occurs in September of each year, with September, 1934, the lowest point since the beginning of 1933.

Failures by Divisions of Industry—March, 1936

(Liabilities in Thousands of Dollars)

	Number			Liabilities		
MANUFACTURING	1936	1935	1934	1936	1935	1934
Foods	50	40	59	707	794	2,587
Textiles	27	26	27	568	515	2,216
Forest Products	11	25	19	248	1,201	1,030
Paper, Printing and Publishing	17	11	17	322	113	513
Chemicals and Drugs	2	6	6	21	62	164
Fuels	3	..	3	1,546	...	322
Leather and Leather Products	4	5	9	51	232	281
Stone, Clay and Glass Products	7	3	10	146	117	910
Iron and Steel	5	14	9	90	1,393	359
Machinery	6	9	12	218	335	615
Transportation Equipment	3	2	5	47	16	154
Miscellaneous	23	29	18	407	882	224
Total Manufacturing	158	170	194	4,371	5,660	9,375
Per cent of month's total	*16.7*	*18.1*	*18.2*	*26.9*	*36.7*	*39.1*
WHOLESALE TRADE						
Farm Products, Foods and Groceries	40	33	31	475	839	944
Clothing and Furnishings	5	6	7	56	80	244
Dry Goods and Textiles	2	1	..	18	6	...
Lumber, Bldg. Materials and Hardware	6	2	10	230	31	722
Chemicals and Drugs	1	1	4	14	7	11
Fuels	6	2	2	126	49	61
Automotive Products	7	3	3	99	17	43
Supply Houses	6	5	5	65	315	22
All Other	15	22	16	180	411	518
Total Wholesale Trade	88	75	78	1,263	1,755	2,665
Per cent of month's total	*9.3*	*8.0*	*7.3*	*7.8*	*11.6*	*11.1*
RETAIL TRADE						
Foods	193	206	166	976	1,346	1,525
Farm Supplies and General Stores	33	29	29	281	637	573
General Merchandise	28	45	42	531	354	978
Apparel	105	78	89	844	447	832
Furniture and Household Furnishings	15	25	41	111	246	640
Lumber, Bldg. Materials and Hardware	40	32	55	583	390	846
Automotive Products	38	40	35	591	560	479
Restaurants	55	40	55	492	388	578
Drugs	43	54	58	384	508	660
All Other	52	38	61	710	416	831
Total Retail Trade	602	587	631	5,503	5,292	7,942
Per cent of month's total	*63.6*	*62.4*	*59.0*	*53.8*	*34.4*	*33.1*
CONSTRUCTION						
General Contractors	13	7	13	831	211	402
Carpenters and Builders	14	8	23	2,072	477	1,611
Building Sub-contractors	23	27	49	1,556	362	862
Other Contractors	1	3	7	25	112	208
Total Construction	51	45	92	4,484	1,162	3,083
Per cent of month's total	*5.4*	*4.8*	*8.6*	*27.5*	*7.6*	*12.8*
COMMERCIAL SERVICE						
Cleaners, Dyers and Tailors	8	18	11	80	168	121
Haulage, Buses, Taxis, etc.	13	16	14	194	787	162
Hotels	6	6	5	62	125	37
Laundries	5	7	11	26	255	390
Undertakers	7	5	7	69	44	75
All Other	8	11	26	219	113	152
Total Commercial Service	47	63	74	650	1,492	937
Per cent of month's total	*5.0*	*6.7*	*6.9*	*4.0*	*9.7*	*3.9*
Total U. S.	946	940	1,069	16,271	15,361	24,002
Per cent	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*	*100.0*

with almost half of all the big failures in this group, both as to number and liabilities.

Compared with two years ago the relative positions of the size groups within the industrial groups have remained unchanged, with the exception of retail trade, where the importance of the smallest size failures has crept up over the second group since 1934.

The proportion of the smaller groups has increased, as stated above, in the following manner. In manufacturing the small to medium-sized failures now constitute 79.1 per cent, as compared with 67.6 per cent in 1934; in wholesale trade 85.2 per cent, against 64.1 per cent in 1934; and in retail trade 94.4 per cent, against 89.3 per cent in 1934.

In construction and commercial service the opposite trend appears. The larger groups assume more importance, increasing in construction from 28.2 per cent in 1934 to 39.2 per cent in 1936, and in commercial service from 6.8 per cent in 1934 to 15.1 per cent at the present time.

The Largest Failures

There were 23 failures with liabilities of $100,000 and over, and totalling over $1,000,000, as compared with 22 in the previous month and 22 in March of last year. Their industry classification is as follows:

Manufacturing		6
Foods	1	
Textiles	2	
Fuel	1	
Furniture and household furnishings	2	
Wholesale trade		1
Hardware	1	
Retail trade		5
Automotive	1	
Department store	1	
Fuel	1	
Hardware	1	
Women's wear	1	
Construction		10
Commercial service		1
Billiard room	1	
Total		23

It is interesting to note that in comparing these failures with those in February there are four less in manufacturing, two less in wholesale trade, one less in retail trade, and seven more in construction.

Ten of these concerns were incorporated. One in the construction group was incorporated, but under that form has been dormant for some time and recently has been operated as an individual proprietorship. One of the manufacturing establishments was a partnership, and three of the retailers and eight of the construction group were individual proprietorships.

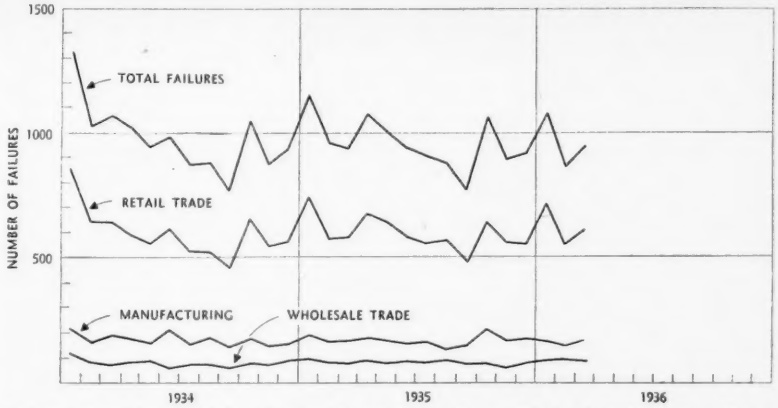
Of the 16 concerns whose records are available showing their age, three were established in 1913, 1916, and 1919, respectively. Eight were established in the third decade of the twentieth century and five since 1930. As a group, they represent new concerns which were unable to establish themselves sufficiently well

to survive adverse business conditions.

The causes of failure of these firms are many and varied. A large number of them are due to the great amount of fixed charges, dominated by real estate mortgages, which the current income could not withstand. One of the oldest concerns failed because of insufficient working capital and inadequate distribution, together with the closing of the company's principal bank. Another firm which failed was a women's wear concern, established by a man who had had several years of experience in this line of business. Over a period of years he had built up a very profitable business, but lately he traded beyond his capital and the result was disaster for the business.

One of the more recent ventures promised successful results at the start. However, due to overoptimistic expansion it failed two years after it was established. One concern, which manufactured antique furniture and carried on an interior decorating business, was unable to weather general business conditions, reinforced by a decrease in demand for this type of product. Another firm selling hardware suffered heavy losses from a fire and never recovered sufficiently to forestall failure.

MONTHLY TREND OF COMMERCIAL FAILURES BY INDUSTRIAL GROUPS



Construction and Commercial Service are omitted as they are too small to be of significance in a diagram of this size. At no time did either reach above 92 failures, the high point for Construction in March, 1934. Commercial Service reached its high point of 76 in April, 1934. The course of total failures is largely determined by the number in Retail Trade, which accounts for two-thirds of all failures.

Geographical Distribution

Respecting the geographical distribution of the March failures the more or less definite movements apparent in the industrial breakdown are lacking, for the record by Federal Reserve districts and by States is decidedly erratic. Here and there an interesting point appears, such that New England, the Boston district, has a much lower figure than in the two previous years, and that failures in the New York district seem to be on the increase. The New York district supplies 31 per cent of all failures and 42 per cent of all liabilities.

The geographical breakdown is more sensitive to the effect of the large failures than the other

Failures by Industrial Groups and Size of Liabilities—March

(Liabilities in Thousands of Dollars)

	1936				1935				1934			
	Number	Per Cent	Liabilities	Per Cent	Number	Per Cent	Liabilities	Per Cent	Number	Per Cent	Liabilities	Per Cent
Manufacturing	158	100.0	4,371	100.0	170	100.0	5,660	100.0	194	100.0	9,375	100.0
Under $5,000	43	27.1	124	2.8	41	24.1	115	2.0	37	19.1	94	1.0
$5,000—$25,000	82	52.0	915	20.9	81	47.6	923	16.3	94	48.5	1,255	13.4
$25,000—$100,000	27	17.1	1,172	26.8	36	21.2	1,644	29.0	44	22.6	1,984	21.1
$100,000 and Over	6	3.8	2,160	49.5	12	7.1	2,978	52.7	19	9.8	6,042	64.5
Wholesale Trade	88	100.0	1,263	100.0	75	100.0	1,755	100.0	78	100.0	2,665	100.0
Under $5,000	26	29.5	62	4.9	19	25.3	49	2.8	18	23.1	42	1.6
$5,000—$25,000	49	55.7	599	47.4	40	53.3	449	25.6	32	41.0	326	12.2
$25,000—$100,000	12	13.6	486	38.5	13	17.4	647	36.9	21	27.0	1,051	39.4
$100,000 and Over	1	1.2	116	9.2	3	4.0	610	34.7	7	8.9	1,246	46.8
Retail Trade	602	100.0	5,503	100.0	587	100.0	5,292	100.0	631	100.0	7,942	100.0
Under $5,000	305	50.6	771	14.0	298	50.8	763	14.4	263	41.6	642	8.1
$5,000—$25,000	263	43.8	2,578	46.8	255	43.4	2,647	50.0	301	47.7	3,084	38.8
$25,000—$100,000	29	4.8	1,318	24.0	30	5.1	1,437	27.2	57	9.0	2,284	28.8
$100,000 and Over	5	.8	836	15.2	4	.7	445	8.4	10	1.7	1,932	24.3
Construction	51	100.0	4,484	100.0	45	100.0	1,162	100.0	92	100.0	3,083	100.0
Under $5,000	12	23.5	41	.9	13	28.9	42	3.6	29	31.7	78	2.5
$5,000—$25,000	19	37.3	215	4.8	14	31.1	162	13.9	37	40.1	413	13.4
$25,000—$100,000	10	19.6	411	9.2	16	35.5	730	62.9	18	19.6	872	28.3
$100,000 and Over	10	19.6	3,817	85.1	2	4.5	228	19.6	8	8.6	1,720	55.8
Commercial Service	47	100.0	650	100.0	63	100.0	1,492	100.0	74	100.0	937	100.0
Under $5,000	19	40.5	51	7.8	26	41.2	68	4.6	33	44.7	77	8.2
$5,000—$25,000	21	44.4	266	40.9	23	36.5	279	18.7	36	48.5	407	43.4
$25,000—$100,000	6	13.0	227	34.9	13	20.6	645	43.2	4	5.4	173	18.5
$100,000 and Over	1	2.1	106	16.4	1	1.7	500	33.5	1	1.4	280	29.9
Total	946	100.0	16,271	100.0	940	100.0	15,361	100.0	1,069	100.0	24,002	100.0
Under $5,000	405	42.8	1,049	6.4	397	42.2	1,037	6.8	380	35.6	933	3.9
$5,000—$25,000	434	45.9	4,573	28.1	413	44.0	4,460	29.0	500	46.8	5,485	22.9
$25,000—$100,000	84	8.9	3,614	22.2	108	11.5	5,103	33.2	144	13.4	6,364	26.5
$100,000 and Over	23	2.4	7,035	43.3	22	2.3	4,761	31.0	45	4.2	11,220	46.7

methods of classification. For instance, the failure of a large oil-producing company dominates the record of liabilities in the Kansas City district and the Oklahoma State figures. In the San Francisco district the liabilities have decreased perceptibly since last year, although the number of failures has increased. This situation applies also in the Chicago district.

Comparing the 946 March failures with 856 in February, a majority of the districts shared in the increase, although five of them, Boston, Cleveland, Richmond, St. Louis, and Dallas showed slight decreases.

The table giving the industrial breakdown of failures in the various Federal Reserve districts shows very little uniformity. The New York district accounts for 41 per cent of the failures in construction, 34 per cent in manufacturing, 33 per cent in wholesale trade, and 30 per cent in both retailing and commercial service. While for the country, as a whole, retail trade contained 64 per cent of all failures, in the Atlanta district 93 per cent were in retailing, and in the Kansas City and Dallas districts, 80 per cent.

Failures by Cities

The record by cities shows that, compared with last March, there has been an increase in the number of failures in the 25 leading cities and a decrease in the other cities for which the records are not so detailed. Compared with two years ago, the record of the 25 cities is about even and again the decrease has taken place in the unreported cities. A study of the liabilities, on the other hand, leads to the conclusion that many of the March big failures occurred in the unlisted cities, since the decrease in numbers in the smaller cities carried with it an increase in liabilities, and a decrease in liabilities accompanied the increase in failures in the large cities.

Failures by Federal Reserve Districts and States

(Liabilities in Thousands of Dollars)

Districts	Number			Liabilities		
	1936	1935	1934	1936	1935	1934
Boston (1)	82	101	101	961	1,199	3,340
New York (2)	296	283	276	6,850	4,573	6,683
Philadelphia (3)	44	73	50	429	1,326	2,516
Cleveland (4)	65	65	75	1,035	1,744	1,836
Richmond (5)	50	53	49	504	1,031	873
Atlanta (6)	29	28	33	411	246	570
Chicago (7)	115	98	155	1,877	2,040	2,978
St. Louis (8)	41	43	37	511	411	754
Minneapolis (9)	23	25	35	395	265	713
Kansas City (10)	47	33	55	1,709	292	504
Dallas (11)	25	19	28	219	130	581
San Francisco (12)	129	119	175	1,370	2,104	2,654
New England	84	106	106	967	1,233	3,434
Maine	9	9	4	81	36	58
New Hampshire	1	7	3	27	336	42
Vermont	..	..	4	..	..	35
Massachusetts	41	58	66	479	589	3,083
Connecticut	17	22	15	290	201	139
Rhode Island	16	10	14	90	71	77
Middle Atlantic	351	370	332	7,542	6,033	9,319
New York	225	234	205	2,883	2,879	4,867
New Jersey	74	57	74	4,113	1,891	1,610
Pennsylvania	52	79	53	541	1,263	2,842
South Atlantic	61	74	67	670	1,245	993
Maryland	13	8	13	105	221	119
Delaware	..	1	..	...	11	...
District of Columbia	5	5	1	72	223	14
Virginia	12	20	12	184	128	92
West Virginia	6	12	8	61	373	308
North Carolina	13	11	12	69	110	293
South Carolina	3	..	7	31	...	56
Georgia	6	12	8	133	47	77
Florida	3	5	6	15	132	34
South Central	86	68	80	2,343	900	1,674
Kentucky	13	13	8	188	442	125
Tennessee	14	12	9	265	88	344
Alabama	8	4	8	38	24	75
Mississippi	5	1	4	11	1	319
Arkansas	8	8	10	100	89	61
Oklahoma	18	11	15	1,552	126	176
Louisiana	1	..	2	12	...	16
Texas	19	19	24	177	130	558
Central East	157	144	202	2,434	3,068	4,521
Ohio	48	38	56	743	1,178	1,575
Indiana	19	14	23	250	92	639
Illinois	42	44	65	705	780	1,052
Michigan	22	25	31	383	265	654
Wisconsin	26	23	27	353	753	601
Central West	68	50	89	898	702	1,154
Minnesota	15	8	20	341	62	363
Iowa	15	7	18	256	302	239
Missouri	15	18	23	178	193	363
North Dakota	1	1	4	2	4	39
South Dakota	1	4	2	9	73	3
Nebraska	13	7	14	78	35	33
Kansas	8	5	8	34	33	114
Western	17	15	25	88	98	616
Montana	2	4	5	7	9	130
Idaho	3	2	4	9	11	316
Wyoming	..	..	2	..	..	15
Colorado	5	5	10	15	67	82
New Mexico	3	..	..	25	..	..
Arizona	..	..	..	..	..	..
Utah	4	2	4	32	9	73
Nevada	..	2	..	..	2	..
Pacific	122	113	168	1,329	2,082	2,291
Washington	12	17	27	73	406	234
Oregon	15	13	15	53	645	139
California	95	83	126	1,203	1,031	1,918
Total U. S.	946	940	1,069	16,271	15,361	24,002

Failures in Specified Cities—March

(Liabilities in Thousands of Dollars)

City	Fed. Res. Dist.	Population (1930 Census)	Number 1936	Number 1935	Number 1934	Liabilities 1936	Liabilities 1935	Liabilities 1934
Baltimore	5	804,874	11	5	8	83	84	90
Boston	1	781,188	13	17	21	85	186	255
Buffalo	2	573,076	5	14	8	27	199	192
Chicago	7	5,376,438	34	24	43	459	497	761
Cincinnati	4	451,160	2	3	5	7	223	916
Cleveland	4	900,429	16	14	11	301	569	324
Detroit	7	1,568,662	14	11	12	328	96	333
Indianapolis	7	364,161	5	3	2	66	22	29
Jersey City	2	316,716	3	2	2	1,123	11	22
Kansas City, Mo.	10	399,746	1	4	5	20	27	56
Los Angeles	12	1,238,048	25	24	38	291	422	638
Louisville	8	307,745	2	3	..	3	40	...
Milwaukee	7	578,248	10	10	12	119	218	229
Minneapolis	9	464,356	6	5	6	92	41	64
Newark	2	442,337	24	14	19	1,029	1,343	343
New Orleans	6	458,762	..	..	..	...	...	...
New York City	2	6,930,446	179	150	133	2,321	1,909	3,363
Philadelphia	3	1,950,961	8	19	15	61	499	819
Pittsburgh	4	669,817	3	4	5	61	14	79
Portland, Ore.	12	301,815	9	6	8	42	42	103
Rochester	2	328,132	..	7	3	...	98	205
St. Louis	8	821,960	9	9	12	113	28	236
San Francisco	12	634,394	21	16	18	224	306	342
Seattle	12	365,583	2	8	15	15	48	121
Washington, D. C.	5	486,869	5	5	1	72	223	14
Total 25 cities	..	.....	407	377	402	6,942	7,145	9,534
All other cities	..	.....	539	563	667	9,329	8,216	14,468
Total U. S.	..	.....	946	940	1,069	16,271	15,361	24,002

Quarterly Record of Failures

The quarterly record of failures given on the following page presents the number of failures and the amount of liabilities involved in all important lines of business activity for nine quarters, or since January, 1934. The component parts of the industrial group subdivisions are given for the first time.

Certain seasonal movements of the major groups emerge. The first quarter of any year usually is a period of many failures, after which the number decreases through the third quarter, which becomes the low period for the year. The trend then turns upward again, reaching the usual high first quarter. Occasionally there is a stronger movement in operation, which overbalances the seasonal trend.

The construction group, for instance, has shown a steady downward movement since the beginning of 1934. Thus there were fewer instead of more failures in the first quarter of 1935 than there were in the last quarter of 1934. The wholesale trade group has showed less variation than the other groups, but registered an unexpected decrease in the fourth quarter of 1935 and at present the failures stand at exactly the same level as at the beginning of 1934. In manufacturing there was an exceptionally large increase in failures in the fourth quarter of 1935, followed by a decrease in this last quarter, contrary to seasonal expectations. Failures in retailing are very strongly seasonal in trend.

The following tabulation gives the per cent of decrease of failures in the current quarter from the first quarter of 1934:

Group	Per Cent
Manufacturing	19
Wholesale trade	0
Retail trade	15
Construction	40
Commercial service	25

The analysis of manufacturing failures revealed the fact that the number in the baking group was higher than in any of the other classifications. This trend was not carried out in regard to liabilities, however. The amount of money involved in the alcoholic beverage division for the nine quarters recorded, exceeded the monetary loss in any of the other lines of business, in most cases, by a wide margin. Manufacturers of leather appeared at the bottom of the list so far as the number of failures in an individual line was concerned. In no published quarter did their number exceed 4.

Grocery store failures led other groups in the retail field, in point of number, followed by those grocery stores which also include meats. This was true also of the liabilities. The clothing trades made the next largest exhibit. Of course, in these divisions of business, which deal in two of the main necessities of living, the proportion of concerns in business far surpasses that in most other lines. This increases the possibility of financial embarrassment.

Failures by Divisions of Industry by Federal Reserve Districts—March, 1936

(Liabilities in Thousands of Dollars)

		Manufacturing No.	Manufacturing Liab.	Wholesale Trade No.	Wholesale Trade Liab.	Retail Trade No.	Retail Trade Liab.	Construction No.	Construction Liab.	Commercial Service No.	Commercial Service Liab.	Total No.	Total Liab.
Boston	(1)	13	66	9	35	41	408	11	401	8	51	82	961
New York	(2)	54	818	29	421	178	2,017	21	3,483	14	111	296	6,850
Philadelphia	(3)	8	93	3	8	30	296	2	30	1	2	44	429
Cleveland	(4)	16	403	7	170	38	392	..	..	4	70	65	1,035
Richmond	(5)	6	150	4	30	36	308	2	8	2	8	50	504
Atlanta	(6)	2	209	..	..	27	202	..	..	..	..	29	411
Chicago	(7)	23	612	12	198	69	773	2	51	9	243	115	1,877
St. Louis	(8)	5	48	5	53	29	360	..	..	2	50	41	511
Minneapolis	(9)	5	182	4	90	13	119	1	4	..	..	23	395
Kansas City	(10)	6	1,531	1	2	37	130	1	25	2	21	47	1,709
Dallas	(11)	2	53	2	33	20	131	1	2	..	..	25	219
San Francisco	(12)	18	206	12	223	84	367	10	480	5	94	129	1,370
Total U. S.		158	4,371	88	1,263	602	5,503	51	4,484	47	650	946	16,271

QUARTERLY RECORD OF FAILURES BY DIVISIONS OF INDUSTRY, 1934-1936—MANUFACTURING

(Liabilities in Thousands of Dollars)

MANUFACTURING	Number									Liabilities								
	1934				1935				1936	1934				1935				1936
	I	II	III	IV	I	II	III	IV	I	I	II	III	IV	I	II	III	IV	I
Foods	157	159	124	139	134	124	128	130	124	5,010	5,258	2,734	3,701	2,836	2,009	3,178	2,650	3,457
Baking	72	93	68	73	71	76	81	81	62	1,054	1,608	600	938	505	755	883	591	694
Beverages—Alcoholic	16	19	15	20	15	15	17	13	13	1,926	1,873	1,284	1,751	1,004	447	1,067	1,202	1,502
Beverages—Non-alcoholic	13	10	6	12	6	2	1	4	10	317	216	45	196	38	109	12	59	110
Confectionery	7	11	10	6	8	8	3	3	8	219	260	150	32	412	104	51	21	74
Dairy Products	8	8	9	12	9	5	8	11	9	83	277	136	170	128	74	164	170	123
Fruits and Vegetables	5	4	3	..	7	5	4	3	2	420	232	210	....	280	217	271	226	16
Meats and Fish	12	3	5	5	6	3	7	4	4	183	19	62	225	120	39	522	96	220
Milling	10	1	4	2	3	4	2	..	3	310	34	205	12	164	175	30	....	25
All Other	14	10	4	9	9	6	5	11	13	498	739	42	377	185	89	178	285	693
Textiles	90	98	102	99	105	117	113	134	96	3,716	3,942	3,119	1,867	2,007	2,687	2,348	2,649	3,175
Textile Mill Products	14	11	14	14	13	23	9	16	23	2,068	1,426	1,061	667	598	1,093	254	356	1,784
Men's and Boys' Clothing and Accessories	19	13	13	11	16	12	15	19	9	624	692	371	136	208	94	396	538	84
Women's and Children's Clothing and Accessories	35	56	60	56	49	61	69	77	43	632	1,099	892	635	697	1,101	1,023	1,166	640
Hosiery, Underwear, Knit Goods	7	8	7	9	6	9	7	7	8	107	252	590	270	136	110	249	232	482
Other Clothing	10	2	2	2	13	7	8	8	11	234	21	25	52	258	91	369	145	169
Other Textile Products	5	8	6	7	8	5	5	7	2	51	452	180	107	110	198	57	212	16
Forest Products	39	35	36	28	54	44	29	39	42	1,759	1,802	1,467	1,920	1,956	1,365	543	2,126	1,513
Lumber	13	15	10	15	25	15	9	15	8	462	647	399	1,326	1,121	560	316	847	128
Furniture	19	15	18	10	22	22	14	19	24	1,008	788	792	282	548	701	189	1,076	1,216
All Other	7	5	8	3	7	7	6	5	10	289	367	276	312	287	104	38	203	169
Paper, Printing, and Publishing	65	44	38	47	40	37	31	135	37	1,754	1,386	1,128	2,833	573	1,100	583	781	671
Paper and Paper Products	10	5	4	9	5	5	3	5	5	169	697	93	2,230	162	515	238	72	242
Printing and Engraving	39	28	26	25	27	24	24	18	21	878	570	973	296	307	364	257	105	317
Publishing	16	11	8	13	8	8	4	12	11	707	119	62	307	104	221	88	604	112
Chemicals and Drugs	29	21	17	13	25	23	15	24	15	1,084	591	854	94	360	675	356	760	217
Chemicals and Chemical Products	12	14	12	4	8	10	7	7	7	813	317	541	15	169	151	229	142	120
Drugs, Perfumes, Cosmetics	9	2	4	4	10	11	2	15	6	72	66	98	26	111	471	24	544	57
Paints, etc.	8	5	1	5	7	2	6	2	2	199	208	215	53	80	53	103	74	40
Fuels	9	8	5	12	..	9	10	14	6	1,021	727	713	1,298	....	293	1,170	912	1,645
Coal	4	6	2	9	..	3	5	3	3	325	512	580	1,141	....	94	544	23	85
Petroleum	5	2	3	3	..	6	5	11	3	696	215	133	157	....	199	626	889	1,560
Leather and Leather Products	25	16	24	17	18	23	16	27	16	576	673	711	221	610	515	602	389	503
Leather	..	..	1	1	1	4	1	3	1	....	....	1	4	157	119	1	50	61
Shoes	13	9	15	9	13	11	10	8	8	384	577	564	141	405	293	324	131	277
Other Leather Products	12	7	8	7	4	8	5	16	7	192	96	146	76	48	103	277	208	165
Stone, Clay and Glass Products	24	18	9	15	11	16	17	16	13	1,253	597	375	360	304	933	889	440	415
Stone and Stone Products	14	10	6	11	7	8	10	8	5	310	383	345	323	230	153	494	332	64
Clay and Clay Products	3	2	1	2	1	6	4	1	4	831	41	7	22	50	699	342	60	236
Glass and Glass Products	4	5	1	2	3	..	1	6	4	68	166	15	15	24	....	8	43	115
All Other	3	1	1	..	..	2	2	1	..	44	7	8	....	....	81	45	5	....
Iron, Steel and Products	27	45	28	19	29	21	22	30	19	1,082	2,575	1,817	425	2,318	570	1,497	460	412
Iron and Steel	6	6	5	4	6	2	3	3	4	371	1,206	345	97	1,434	38	399	43	56
Iron and Steel Products	21	39	23	15	23	19	19	27	15	711	1,369	1,472	328	884	532	1,098	417	356
Machinery	33	25	23	18	25	28	17	31	23	1,186	1,296	1,168	643	679	752	384	700	404
Electrical Apparatus	12	6	8	10	9	9	7	14	5	486	31	650	497	114	292	93	238	203
Machine Shops	3	4	3	1	5	5	2	5	5	2	53	18	6	161	33	8	22	19
All Other	18	15	12	7	11	14	8	12	13	698	1,212	500	140	404	427	283	440	182
Transportation Equipment	13	11	8	15	14	11	5	10	9	262	2,372	908	366	385	408	168	431	131
Automobiles and Parts	5	5	4	7	8	6	3	5	8	160	2,224	489	277	274	375	34	381	117
Automobile Accessories	5	4	2	4	5	4	1	4	..	28	58	109	59	33	30	4	41	....
All Other	3	2	2	4	1	1	1	1	1	74	90	310	30	78	3	130	9	14
Miscellaneous	66	67	65	63	78	65	44	69	69	2,050	2,284	1,558	1,074	1,958	922	656	998	1,022
Furs	13	15	7	13	18	11	10	29	21	238	363	370	178	618	165	169	410	215
Non-ferrous Metals, Jewelry	12	16	15	8	14	11	5	14	12	173	776	360	53	455	138	69	300	131
Rubber Goods	1	1	2	9	6	2	1	2	5	12	2	3	100	201	18	8	16	58
Tobacco Products	5	3	..	2	4	7	1	..	2	37	28	....	10	81	33	17	....	6
General Supplies	6	4	8	8	7	7	4	3	3	189	80	65	174	284	62	17	19	70
All Other	31	28	33	23	29	27	23	21	26	1,401	1,035	760	559	319	506	376	253	542
Total Manufacturing	577	547	479	485	533	518	447	559	469	20,752	23,503	16,552	14,802	13,986	12,229	12,374	13,296	13,565

QUARTERLY RECORD OF FAILURES BY DIVISIONS OF INDUSTRY, 1934-1936—RETAIL TRADE

(Liabilities in Thousands of Dollars)

RETAIL TRADE	Number									Liabilities								
	1934				1935				1936	1934				1935				1936
	I	II	III	IV	I	II	III	IV	I	I	II	III	IV	I	II	III	IV	I
Foods	531	526	436	550	606	651	535	603	517	4,867	3,677	3,142	3,552	4,191	5,223	4,350	4,103	2,945
Confectionery	44	39	33	42	37	36	28	31	24	720	210	307	206	271	488	207	207	138
Dairy Products	29	22	21	18	16	23	18	24	16	340	128	258	141	175	204	114	287	131
Delicatessens	12	16	7	12	8	10	11	13	14	58	100	20	65	79	46	54	38	81
Groceries	190	189	134	200	221	223	173	212	149	1,138	1,274	739	990	1,300	1,924	1,261	1,094	635
Groceries and Meats	123	116	130	151	143	188	165	164	167	964	700	1,017	952	900	1,147	1,296	1,146	868
Meats and Fish	77	83	66	70	105	106	76	103	72	613	673	373	637	679	828	963	773	476
Produce and Fruits	28	32	25	31	31	25	25	16	21	262	347	199	235	182	189	202	324	230
Beverages—Alcoholic	5	10	6	11	27	27	27	23	43	523	122	149	128	118	185	34	56	46
Beverages—Non-alcoholic	7	9	5	9	9	8	6	7	4	13	46	26	141	330	173	185	130	309
All Other	16	10	9	6	9	5	6	10	7	236	77	54	57	157	39	34	48	31
Farm Supplies, General Stores	92	79	84	74	77	85	91	79	100	1,366	919	885	1,250	1,161	1,215	988	919	699
Farm Supplies	11	14	16	14	9	9	18	11	15	155	159	323	253	124	486	353	144	166
General Stores	81	65	68	60	68	76	73	68	85	1,211	760	562	997	1,037	729	635	775	533
General Merchandise	134	77	69	6	119	101	67	62	108	2,548	1,292	821	1,320	1,340	1,000	714	629	2,219
Department Stores	22	10	11	5	14	13	10	7	19	884	642	356	557	438	403	166	281	1,658
Variety Stores	15	8	10	9	17	15	9	2	9	205	45	68	278	68	42	52	10	22
Dry Goods	97	59	48	46	88	73	48	53	81	1,459	605	397	485	834	555	496	338	539
Apparel	374	271	191	323	367	283	250	321	411	4,076	3,096	1,713	3,331	2,726	1,830	2,066	2,359	3,182
Clothing—Men's, Women's and Children's	49	21	14	21	25	23	25	25	55	592	175	160	222	181	245	118	272	421
Clothing—Men's	49	47	33	48	55	24	35	32	48	587	790	424	617	552	160	547	316	368
Accessories—Men's	58	46	36	49	59	56	43	64	56	327	235	295	425	513	392	281	459	390
Clothing—Women's	122	76	63	116	124	92	85	102	157	1,438	1,250	502	1,445	799	545	736	661	1,444
Accessories—Women's	24	22	12	16	15	22	17	22	17	78	131	129	75	105	81	75	94	47
Shoes	72	59	33	73	89	66	45	76	78	1,054	515	203	547	576	407	309	557	512
Furniture and House Furnishings	104	60	52	64	79	74	59	63	65	1,380	572	1,128	1,154	1,124	1,180	899	802	1,238
Furniture	68	41	28	41	46	48	32	40	41	726	373	867	506	810	873	493	601	994
House Furnishings and Appliances	24	13	14	8	17	15	21	18	16	466	158	180	53	170	175	366	183	76
Radios	12	6	10	15	16	11	6	5	8	188	41	81	595	144	132	40	18	168
Lumber, Building Materials, Hardware	147	122	111	104	103	128	105	100	112	2,143	2,853	1,331	1,230	1,406	1,710	1,253	1,217	1,262
Lumber, Building Materials	27	27	14	21	17	28	16	16	13	763	1,817	553	358	583	674	198	529	227
Paint, Wallpaper, Glass	23	14	28	28	16	19	26	26	26	202	145	231	297	100	131	204	161	237
Hardware, Implements, Machinery	97	81	69	55	70	81	63	58	73	1,178	891	547	575	723	905	851	527	798
Automotive Products	159	142	119	159	118	131	119	123	120	3,396	1,739	2,078	2,684	1,467	1,390	2,582	1,635	2,979
Automobiles	47	31	29	35	32	25	30	49	46	1,626	762	1,333	1,086	441	620	716	1,165	761
Automobile Accessories	26	30	18	29	16	28	22	24	20	427	353	141	289	96	186	273	147	128
Garages and Repair Shops	52	48	45	67	47	46	40	25	38	679	317	443	1,040	658	406	669	158	1,967
Filling Stations	27	30	26	24	23	32	25	24	15	591	293	158	229	272	178	909	158	119
All Other	7	3	1	4	..	..	2	1	1	73	14	3	40	....	....	15	17	4
Restaurants	186	156	153	164	146	136	151	159	140	2,280	2,378	1,811	2,450	1,427	1,585	4,231	2,469	1,239
Drugs and Cosmetics	182	162	144	152	164	170	118	129	127	2,071	1,680	1,684	1,452	1,364	1,638	933	856	974
All Other	209	163	128	114	123	140	102	103	150	2,838	3,363	2,135	1,271	1,231	2,250	2,070	1,063	1,662
Tobacco Products	9	15	11	11	8	10	8	13	17	66	75	73	151	82	63	229	116	107
Fuels	24	26	12	16	15	27	16	20	23	402	1,368	298	197	168	484	350	330	478
Florist Shops	17	19	18	16	19	15	13	10	17	419	314	158	139	250	433	232	142	201
Jewelry	53	26	26	14	23	24	20	8	35	797	350	461	210	201	535	962	51	479
Stationery, Books, Newsdealers	20	28	17	14	20	19	17	13	15	421	410	268	109	112	271	87	92	60
Toys	7	2	..	1	1	1	2	1	3	59	9	....	8	9	18	7	7	21
Miscellaneous	70	47	44	42	37	44	26	38	40	674	937	877	457	409	446	203	325	316
Total Retail Trade	2,118	1,758	1,487	1,764	1,902	1,899	1,597	1,740	1,850	26,965	21,569	16,728	19,694	17,437	19,021	20,086	16,052	18,399

QUARTERLY RECORD OF FAILURES BY DIVISIONS OF INDUSTRY, 1934-1936—WHOLESALE TRADE—CONSTRUCTION—COMMERCIAL SERVICE

(Liabilities in Thousands of Dollars)

	Number									Liabilities								
	1934				1935				1936	1934				1935				1936
WHOLESALE TRADE	I	II	III	IV	I	II	III	IV	I	I	II	III	IV	I	II	III	IV	I
Farm Products and Foods	118	100	107	112	110	129	98	95	119	3,445	2,972	2,951	2,333	2,098	2,131	2,197	2,679	1,500
Confectionery	13	13	10	15	15	18	12	15	26	206	115	78	102	212	202	73	246	299
Dairy Products	14	13	9	10	13	11	10	15	12	787	566	206	236	319	324	204	486	173
Groceries and Meats	19	14	10	16	17	13	13	6	13	463	406	166	722	494	359	292	386	187
Meats and Fish	17	24	27	22	18	34	21	18	16	539	365	461	413	401	381	390	376	119
Produce and Fruits	22	13	25	21	14	24	17	14	25	549	833	1,146	466	262	264	455	419	396
Beverages—Alcoholic	2	10	12	11	13	9	12	9	12	35	487	635	177	236	135	328	336	157
All Other	31	13	14	17	20	20	13	18	15	866	200	259	217	174	466	455	430	169
Clothing and Furnishings	18	6	5	13	18	18	19	15	21	332	57	80	290	281	197	950	174	257
Dry Goods and Textile Products	9	11	7	11	10	11	11	10	2	303	186	94	390	253	186	415	136	18
Lumber, Building Materials, Hardware	25	18	14	12	14	17	15	19	20	1,564	385	349	289	390	237	798	812	576
Chemicals and Drugs	12	7	10	15	7	8	13	7	7	282	75	252	144	80	167	123	85	65
Fuels	11	16	6	12	7	6	9	9	15	336	909	192	225	169	181	173	683	570
Automotive Products	11	11	5	17	10	16	15	11	18	156	169	38	425	182	145	182	129	327
Supply Houses	18	18	8	8	23	12	17	17	15	327	172	142	82	513	118	163	248	129
All Others	56	53	58	44	57	43	49	38	56	2,770	1,139	1,351	1,268	998	1,244	784	363	1,408
Electrical Goods	5	3	6	2	6	7	6	3	5	1,372	43	86	161	69	47	89	31	44
Furniture and House Furnishings	8	4	6	4	8	4	6	5	6	309	95	89	166	136	95	154	105	321
Machinery and Equipment	1	3	5	6	6	3	2	3	5	27	83	211	136	216	361	10	16	87
Paper and Paper Products	10	10	6	3	11	9	4	6	8	200	142	181	60	135	173	35	39	208
Tobacco Products	2	8	6	3	2	4	7	1	4	79	121	53	38	8	287	104	6	43
All Other	30	25	29	26	24	16	24	20	29	783	655	731	707	434	281	392	166	708
Total Wholesale Trade	278	240	220	244	256	260	246	221	275	9,515	6,064	5,449	5,446	4,964	4,606	5,785	5,309	4,841
CONSTRUCTION																		
General Contractors	39	29	33	35	38	28	26	36	24	1,427	1,254	1,311	1,505	1,415	1,153	1,796	3,575	1,580
Carpenters and Builders	54	60	69	59	41	44	40	53	43	3,164	2,729	2,699	2,423	1,880	1,734	1,235	1,932	4,172
Building Sub-Contractors	122	110	75	93	79	102	74	93	70	1,954	1,660	974	1,523	1,765	1,161	662	2,097	2,961
Painting and Decorating	25	19	19	32	12	25	16	23	16	429	128	151	576	131	398	96	718	175
Heating and Plumbing	51	42	21	32	28	31	30	30	34	982	609	303	415	444	345	249	642	1,675
Electrical	25	21	11	11	11	14	12	9	8	263	202	74	158	182	82	50	216	59
Other	21	28	24	18	28	32	16	31	12	280	721	446	374	1,008	336	267	521	1,052
Other Contractors	18	9	7	7	8	4	6	4	1	1,023	275	250	129	238	120	257	107	25
Total Construction	233	208	184	194	66	178	146	186	138	7,568	5,918	5,234	5,580	5,298	4,168	3,950	7,711	8,738
COMMERCIAL SERVICE																		
Cleaners and Dyers, Tailors	38	52	29	33	53	41	40	40	36	400	692	410	376	425	453	602	559	368
Cleaners and Dyers	21	17	10	15	28	19	19	21	17	232	208	247	147	280	202	178	418	185
Tailors	17	35	19	18	25	22	21	19	19	169	484	163	129	145	251	424	141	183
Haulage, Buses, Taxis, etc	42	55	33	42	33	41	26	37	31	658	1,230	583	667	975	543	1,326	355	369
Hotels	21	17	27	17	25	21	22	15	15	2,651	3,062	2,158	786	699	1,193	1,174	2,363	1,062
Laundries	18	21	5	20	18	16	10	17	11	606	343	38	249	387	280	184	295	69
Undertakers	14	13	12	10	13	17	9	21	18	215	320	108	90	200	251	91	253	203
All Other	64	43	37	45	43	40	30	28	36	479	1,548	550	640	820	1,032	1,219	1,062	849
Advertising	15	12	13	12	12	8	3	9	8	108	387	183	383	247	177	75	720	164
Barber Shops and Beauty Parlors	2	4	5	6	9	4	7	4	7	11	135	20	43	93	7	112	34	52
Shoe Repairing	21	8	7	7	3	11	3	..	2	134	83	10	19	13	47	15	....	11
Photographers	13	10	8	5	9	3	8	3	2	115	83	100	26	66	183	59	74	3
Others	13	9	4	15	10	14	9	12	17	111	860	237	169	401	618	958	234	619
Total Commercial Service	197	201	143	167	185	176	137	158	147	5,009	7,195	3,847	2,808	3,496	3,762	4,596	4,887	2,921
Total United States	3,403	2,954	2,513	2,854	3,042	3,031	2,573	2,864	2,879	69,809	64,249	47,810	48,330	45,181	43,786	46,791	47,255	48,464

FIRST QUARTER CANADIAN FAILURES BY PROVINCES

INSOLVENCIES in the Dominion of Canada for the first three months of this year numbered 376. This total was 20 under the 396 reported during the corresponding months last year. The amount of liabilities involved in these defaults, however, rose to $4,490,000, against $3,058,000 a year ago, showing a gain for the first quarter of this year of 46.8 per cent.

In this table, the record of first quarter failures, including Newfoundland, for the past seventeen years is given:

Year	Number	Liabilities (thousands)
1936	380	$4,566
1935	399	3,073
1934	467	5,302
1933	843	12,345
1932	757	12,923
1931	746	17,086
1930	789	19,119
1929	700	13,765
1928	617	17,793
1927	647	8,189
1926	609	8,983
1925	743	13,935
1924	785	21,731
1923	1,032	20,579
1922	1,094	18,673
1921	566	22,246
1920	209	4,327

In order to make the failure records more uniform and of greater value to our readers, certain changes have been made in the record of these insolvencies by branches of business. A new division has been made to cover the construction industry. These failures were formerly listed in the manufacturing classification.

Real estate and insurance agents and brokerage houses have been eliminated from the commercial service group, as detailed information regarding these is not in every case available through the Dun & Bradstreet service.

Canadian Failures by Divisions of Industry—First Quarter, 1936

(Liabilities in Thousands of Dollars)

	Number		Liabilities	
MANUFACTURING	1936	1935	1936	1935
Foods	21	13	292	122
Textiles	25	19	368	187
Forest Products	5	7	25	158
Paper, Printing and Publishing	6	9	924	156
Chemicals and Drugs	2	5	17	11
Fuels	2	..	28	..
Leather and Leather Products	5	6	52	38
Stone, Clay and Glass Products	1	1	12	19
Iron and Steel	3	5	46	55
Machinery	2	2	255	2
Transportation Equipment	3	..	11	..
Miscellaneous	10	11	294	151
Total Manufacturing	85	78	2,324	899
RETAIL TRADE				
Foods	67	67	259	276
Farm Supplies and General Stores	26	23	325	144
General Merchandise	10	23	55	165
Apparel	68	56	319	311
Furniture and Household Furnishings	2	3	114	22
Lumber, Building Materials and Hardware	13	11	102	87
Automotive Products	9	14	26	55
Restaurants	16	18	37	48
Drugs	6	11	19	35
All Other	31	34	352	142
Total Retail Trade	248	260	1,608	1,285
WHOLESALE TRADE				
Farm Products, Foods and Groceries	5	5	54	127
Clothing and Furnishings	..	1	..	18
Dry Goods and Textiles	2	1	22	2
Lumber, Building Materials and Hardware	3	1	155	26
Chemicals and Drugs	..	..	..	..
Fuels	..	1	..	9
Automotive Products	2	..	64	..
Supply Houses	2	4	18	25
All Other	3	6	39	113
Total Wholesale Trade	17	19	352	320
CONSTRUCTION				
General Contractors	9	10	143	79
Carpenters and Builders	..	5	..	41
Building Sub-Contractors	1	2	7	19
Other Contractors	3	2	33	46
Total Construction	13	19	183	185
COMMERCIAL SERVICE				
Cleaners, Dyers and Tailors	1	3	1	21
Haulage, Buses, Taxis, etc	3	2	43	71
Hotels	3	6	19	135
Laundries	1	2	17	55
Undertakers	3	1	8	2
All Other	6	9	11	100
Total Commercial Service	17	23	99	384
Total Canada including Newfoundland	380	399	4,566	3,073

Analysis of Canadian Failures by Provinces—First Quarter, 1936

(Liabilities in Thousands of Dollars)

	1936			1935			Manufacturing		Retail		Wholesale		Construction		Service	
	No.	Assets	Liab.	No.	Assets	Liab.	No.	Liab.	No.	Liab.	No.	Liab.	No.	Liab.	No.	Liab.
Ontario	96	1,259	1,815	126	584	829	29	1,346	53	303	4	104	..	...	10	62
Quebec	185	1,049	1,934	178	1,011	1,499	48	769	112	762	9	202	12	182	4	19
British Columbia	10	135	206	7	8	13	2	134	4	27	1	27	..	...	3	18
Nova Scotia	8	20	97	14	49	126	3	66	5	31	..	...	..	...	..	..
Manitoba	36	181	225	28	221	354	2	8	33	216	..	...	1	1	..	..
New Brunswick	4	8	24	8	20	30	..	..	3	23	1	1	..	..	..	..
Prince Edward Is.	3	10	48	5	8	30	..	..	3	48	..	..	..	..	..	..
Alberta	19	48	82	20	132	140	1	1	17	75	1	6	..	..	..	..
Saskatchewan	15	39	59	10	33	37	..	..	15	59	..	..	..	..	..	..
Total, 1936	376	2,749	4,490	396	2,066	3,058	85	2,324	245	1,544	16	340	13	183	17	99
Total, 1935	396	2,066	3,058	...	....	....	77	894	258	1,275	19	320	19	185	23	384
NEWFOUNDLAND																
1936	4	19	76	...	....	....	..	..	3	64	1	12	..	...	..	...
1935	3	2	15	...	....	....	1	5	2	10	..	...	..	...	..	...

MARKETING TRENDS

DISTRIBUTIVE trade trends during March were, on the whole, decidedly encouraging, despite the interruptions and hindrances caused by the flooding of large areas in the eastern sections of the country. The interference to the normal flow of business, however, proved only temporary, and a surprisingly quick recovery set in.

Although not up to earlier expectations, the total volume of retail distribution for March was considerably higher than the February level, despite the handicap of floods and the fact that March of this year contained one less Saturday than March a year ago. A sharp pick-up in activity developed in the last week of the month which carried well over into April, and the outlook for the latter month appeared highly promising for the best Easter business in the past five or six years.

Department Stores Continue Uptrend

The uptrend in department store sales continued during March with a gain of 9 per cent over the corresponding month of 1935 reported by the Federal Reserve Board in its preliminary report for the month. The total sales volume of department stores for the first three months of this year was likewise 9 per cent above the same period of last year. The March increase was considerably more than seasonal and lifted the Board's seasonally adjusted index from 78.5 per cent of the 1929-1931 average in February to 86.3 in March. This exceeded the previous peak of 82.4 recorded in December, last, and was the highest since August, 1931.

Chain Store Sales Expand

Notwithstanding the adverse factors heretofore mentioned, sales of chain stores and mail order houses made the best relative showing since last December. The total sales for thirty chain and mail order systems aggregated $201,442,044, against $188,419,525 in March a year ago, an increase of 6.9 per cent, or just a trifle under the rate of improvement recorded in January and February. The rise in mail order sales greatly exceeded the increase shown by the chain stores during March. Mail order sales for the two houses for the March period totalled $58,809,649, compared with $51,791,075 in the same month of last year, the increase amounting to 13.6 per cent, while sales for 28 chains aggregated $142,632,395, against $136,628,450, a gain of 4.4 per cent. Both Sears-Roebuck and Montgomery Ward reported March sales as the largest on record.

For the three months ended with March sales for the two mail organizations totalled $146,359,048, against $132,354,743, an increase of 10.6 per cent, while 28 chain systems had a total of $395,862,206, against $371,937,897 last year, a gain of 6.4 per cent.

March Trade Results

A tabulation of reports from the various offices of Dun & Bradstreet, Inc., reveals a sharp upturn during March in both wholesale and retail trade, as well as collections, in contrast to the declining tendency shown in the two preceding months. Improvement over a year ago was quite marked and was very generally shared in by all sections of the country.

A summary of the March reports showed a notable advance in the number of cities reporting Good sales for both wholesale and retail trade. There were 90 cities reporting Good sales during March in retail trade, 60 reported Fair sales and only 10 reported Quiet sales, in contrast with 65 Good, 70 Fair and 26 Quiet in February.

In wholesale trade, there were 86 cities with Good sales last month, 63 in the Fair column and 11 in the Quiet column, compared with February which showed 66 Good, 79 Fair and 16 Quiet.

The collections summary showed 48 cities Good, 93 Fair and 19 Slow, against 38 Good, 102 Fair and 21 Slow during February.

ADJUSTED INDEXES OF RETAIL SALES

(1929-1931 = 100)

1936	* Department Stores	† Rural General Merchandise	† 5c. and 10c. Variety Stores	† New Passenger Automobiles
March	86.3	106.5	93.0	.....
February	78.5	93.0	88.0	89.5
January	77.5	96.5	91.0	102.0
1935				
December	82.4	110.0	96.5	106.5
November	79.5	103.5	93.7	113.5
October	75.5	104.5	92.0	82.0
September	79.5	105.0	91.8	79.0
August	76.5	93.0	89.6	75.0
July	78.5	97.0	92.1	81.0
June	78.5	99.5	90.7	78.5
May	74.6	93.0	86.0	70.0
April	71.6	101.0	90.6	78.5
March	80.4	97.5	93.0	94.5
February	73.6	90.5	90.8	86.5
January	72.6	87.5	90.2	75.0

* Compiled by the Federal Reserve Board.
† Compiled by the Department of Commerce.

THE TREND OF PRICES

WHOLESALE commodity prices during March continued the irregular trends of the past few months. The April 1 indices were lower, bringing the current level to a point only slightly higher than the corresponding period of last year.

Dun & Bradstreet Again Lower

The Dun & Bradstreet Monthly Wholesale Commodity Price Index fell 0.7 per cent to $9.8541 on April 1 from $9.9196 on March 1. This was the lowest recorded since July 1, last, and marked the fourth successive monthly decline, making a total decrease of 5.3 per cent in this series since the high point of $10.4029 was registered on December 1, 1935. The April 1 index, however, is still slightly above a year ago, the gain amounting to 2.0 per cent, while the increase over April 1, 1934, is 7.5 per cent.

Groups	Apr. 1, 1936	Mar. 1, 1936	Apr. 1, 1935
Breadstuffs	$0.0983	$0.1039	$0.1147
Livestock	.3365	.3173	.3350
Provisions	2.7471	2.8045	2.7895
Fruits	.2226	.2213	.2148
Hides and Leather	1.0075	1.0106	.8370
Textiles	2.7470	2.7474	2.6483
Metals	.7411	.7528	.7313
Coal and Coke	.0119	.0119	.0110
Oils	.5181	.5156	.5304
Naval Stores	.1122	.1232	.1310
Building Materials	.1124	.1062	.1072
Chemicals and Drugs	.8461	.8461	.8478
Miscellaneous	.3533	.3588	.3663
Total All	$9.8541	$9.9196	$9.6643

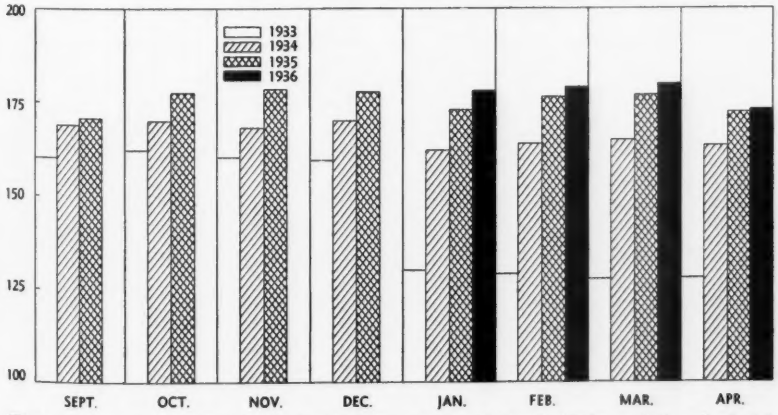
The declines last month was largely due to weakness in grains, provisions and hides and leather. Textiles, metals, naval stores and miscellaneous were also slightly lower, while livestock, fruits, oils and building materials recorded advances. Individual price changes showed 24 advances, with 19 declines and 53 unchanged.

Dun's Index Number Declines

Dun's Index Number of Wholesale Commodity Prices declined sharply to the lowest position since September 1, 1935. Falling to $173.649 on April 1, it dropped $5.952, or 3.3 per cent from the March 1 figure of $179.601, and was 2.5 per cent smaller than when 1936 opened at $178.063. Although the latest index was only 0.68 per cent above the April 1, 1935, level at $172.461, it marked the thirty-sixth consecutive time that the comparative month of the preceding year had been exceeded.

	Apr. 1, 1936	Mar. 1, 1936	Feb. 1, 1936	Apr. 1, 1935
Breadstuffs	$23.369	$23.912	$23.839	$27.105
Meat	19.881	20.873	22.373	21.295
Dairy & Garden	18.985	23.740	21.618	18.292
Other Food	17.271	17.264	17.423	17.295
Clothing	30.560	30.311	30.407	26.903
Metals	24.328	24.327	24.397	22.333
Miscellaneous	39.255	39.174	38.988	39.238
Total	$173.649	$179.601	$179.045	$172.461

DUN'S INDEX NUMBER OF WHOLESALE PRICES



While the decline in March brought the April 1 index to the lowest since September 1, 1935, and only 0.7 per cent above the April 1, 1935, level, it was still higher than all other April figures back to 1930.

Decline in Food Index Halted

A rise of 3c. in the Dun & Bradstreet Weekly Food Index in the week ended April 7 halted the irregular downward movement of the past few months in wholesale food prices, and lifted the figure for that date to $2.60 from $2.57 the week before, which marked the lowest level reached since the week of July 2, 1935. The latest index shows a drop of 5.8 per cent since the beginning of this year, and compares with $2.74 a year ago, a loss of 5.1 per cent.

The Weekly Food Index is the sum total of the price per pound of 31 articles in common use. Comparisons for recent weeks and years are given herewith:

	1936	1935	1934	1933	1932
Apr. 7	$2.60	$2.74	$2.10	$1.62	$1.74
Mar. 31	2.57	2.69	2.10	1.58	1.76
Mar. 24	2.59	2.65	2.11	1.57	1.79
Mar. 17	2.59	2.62	2.13	1.60	1.83
Mar. 10	2.58	2.66	2.14	1.54	1.79
Mar. 3	2.62	2.68	2.15	1.53	1.79

Daily Commodity Index

Daily fluctuations in the Dun & Bradstreet Daily Weighted Price Index since November 1, 1935, are set forth below:

(1930-1932 = 100)

	1936			1935	
	Mar.	Feb.	Jan.	Dec.	Nov.
1	†	121.86	Holiday	†	121.06
2	121.63	†	122.40	121.23	120.86
3	121.89	121.71	122.32	121.16	†
4	121.72	121.90	122.40	120.89	123.03
5	121.42	122.11	†	120.88	Holiday
6	120.65	122.07	122.28	121.01	120.97
7	121.53	121.67	121.42	120.81	121.10
8	†	121.71	121.30	†	121.21
9	120.93	†	120.68	120.60	121.27
10	120.72	121.93	121.04	120.79	†
11	121.00	122.37	121.11	120.06	Holiday
12	121.66	Holiday	†	120.04	121.16
13	121.48	122.64	120.82	121.40	121.06
14	121.30	122.97	120.56	121.08	121.86
15	†	123.31	120.29	†	123.03
16	121.37	†	120.33	120.24	122.36
17	121.12	122.31	120.28	120.05	†
18	120.72	123.03	120.88	120.47	122.19
19	120.85	123.40	†	120.49	122.49
20	120.64	123.03	121.23	120.93	122.80
21	120.07	122.70	121.20	120.89	123.05
22	†	Holiday	121.61	†	122.45
23	120.31	†	122.14	122.22	122.44
24	120.60	121.65	122.19	121.85	†
25	120.49	121.42	122.61	Holiday	122.51
26	120.39	121.70	†	122.19	121.94
27	120.22	121.91	122.38	121.46	121.77
28	120.50	121.87	122.13	120.54	Holiday
29	†	121.81	121.84	†	121.95
30	120.29		121.60	121.17	121.46
31	119.93		121.60	121.79	

† Sunday

	High		Low	
1936	123.40	Feb. 19	119.93	Mar. 31
1935	124.83	Oct. 8	116.22	Mar. 18
1934	121.58	Dec. 31	101.05	Jan. 3
1933	113.52	July 18	67.86	Jan. 20
1932	84.41	Jan. 7	69.55	Dec. 24

GRAPHIC REVIEWS

WORLD GOLD OUTPUT

WORLD gold production during February amounted to 2,584,000 fine ounces, according to the American Bureau of Metal Statistics. This reflected a decline from the preceding month and from the record total of 2,751,000 ounces produced in December, but showed a gain of close to 300,000 ounces above the corresponding month of last year. For the first two months of this year total output reached 5,221,000 ounces, compared with 4,722,000 for the corresponding period of last year, or an increase of 10.2 per cent.

World Gold Production *

(Thousands of Fine Ounces)

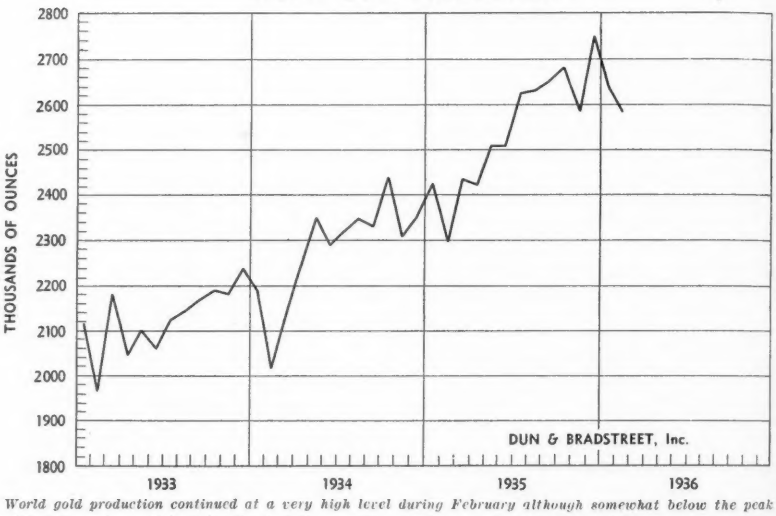
	1936	1935	1934	1933	1932
January	2,637	2,426	2,192	2,116	1,935
February	2,584	2,296	2,017	1,963	1,885
March	....	2,437	2,140	2,180	1,967
April	....	2,425	2,246	2,045	1,945
May	....	2,508	2,348	2,102	2,029
June	....	2,510	2,288	2,060	2,027
July	....	2,625	2,322	2,123	2,049
August	....	2,630	2,351	2,143	2,107
September	....	2,655	2,334	2,167	2,076
October	....	2,682	2,441	2,192	2,089
November	....	2,583	2,310	2,182	2,081
December	....	2,751	2,350	2,241	2,076
Total	....	30,528	27,339	25,514	24,266

* Source: Amer. Bureau of Metal Statistics.

The United States produced 276,000 ounces of gold during February, against 291,000 ounces in January and the peak of 382,000 ounces in December. Domestic production, however, continues far ahead of last year, the February, 1935, figure totalling only 220,000 ounces. Output for the first two months of 1936 at 567,000 ounces compares with 466,000 ounces in the like period of 1935 and 506,000 in the first two months of 1934.

World gold output for the year 1935 set up another new high record at 30,528,000 fine ounces, compared with 27,339,000 ounces in 1934, a rise of 11.7 per cent. World output has established a new high record each year since and including 1932.

WORLD GOLD PRODUCTION



World gold production continued at a very high level during February although somewhat below the peak of last December. Output for the first two months of this year shows a substantial increase over 1935.

BITUMINOUS COAL OUTPUT

DUE to milder weather and interruptions caused by floods, production of bituminous coal declined sharply during March. From the five-year peak of 41,375,000 tons produced in February, last month's output dropped to 30,692,000 tons, a loss of 25.8 per cent, and the smallest total reported since last September. A substantial decline was also shown from the corresponding month of the two preceding years.

Monthly Bituminous Production *

(Tons)

	1936	1935	1934
Jan.	39,330,000	36,681,100	33,459,000
Feb.	41,375,000	34,781,000	32,660,000
Mar.	30,692,000	38,655,000	38,475,000
Apr.	.....	21,937,000	24,661,000
May	.....	26,773,000	27,445,000
June	.....	30,067,000	25,898,000
July	.....	22,252,000	24,851,000
Aug.	.....	26,112,000	27,500,000
Sept.	.....	24,944,000	27,908,000
Oct.	.....	37,664,000	33,008,000
Nov.	.....	33,285,000	30,977,000
Dec.	.....	34,829,000	32,526,000
Total	.....	367,980,000	359,368,000

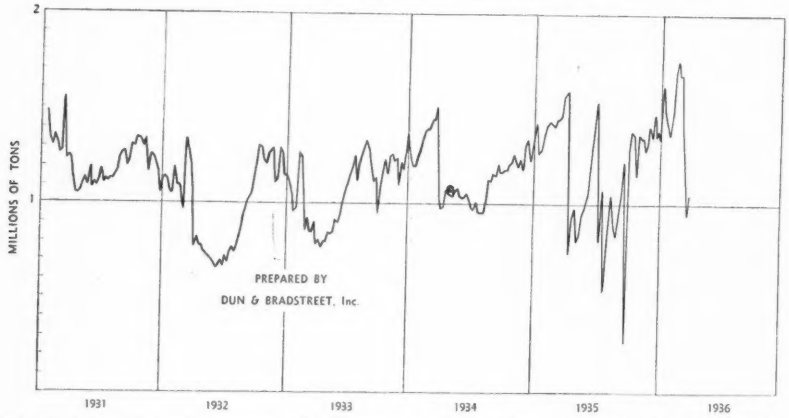
Weekly Bituminous Production *

(Daily Average Output, Tons)

	1936	1935	1934
Mar. 28	1,050,000	1,611,000	1,534,000
Mar. 21	939,000	1,570,000	1,443,000
Mar. 14	1,250,000	1,484,000	1,427,000
Mar. 7	1,450,000	1,467,000	1,393,000
Feb. 29	1,662,000	1,463,000	1,379,000
Feb. 22	1,673,000	1,423,000	1,388,000
Feb. 15	1,746,000	1,419,000	1,336,000
Feb. 8	1,683,000	1,425,000	1,287,000
Feb. 1	1,483,000	1,415,000	1,249,000
Jan. 25	1,378,000	1,375,000	1,192,000

* Source: U. S. Bureau of Mines.

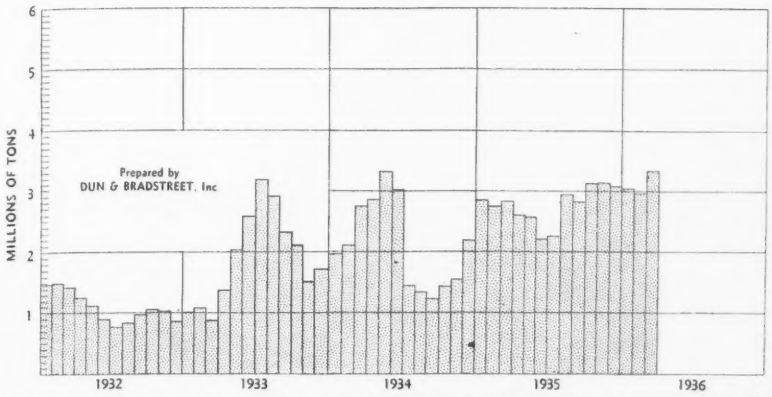
BITUMINOUS COAL OUTPUT



The chart shows the weekly movement of daily average production. From 1,662,000 tons in February, the daily rate during March fell sharply to 1,180,000, as compared with 1,487,000 in March last year.

OF MAJOR TRENDS

STEEL INGOT PRODUCTION



Production of steel ingots during March rose sharply to the highest level in almost two years, while the total output for the first quarter at 9,363,731 tons was the largest for any similar period since 1930.

STEEL OUTPUT HIGHER

MARCH production of steel ingots rose to the highest level in almost two years, according to the American Iron and Steel Institute. Output for last month reached 3,346,489 tons, or at the rate of 58.65 per cent of capacity, compared with 2,868,141 tons in March, 1935, when operations were at 49.83 per cent of capacity. Daily average production during March was 128,711 tons, the highest since the month of June, 1930.

Steel Ingot Production *

(Long Tons)

	1936	1935	1934
January	3,049,439	2,871,531	1,997,129
February	2,967,803	2,777,765	2,211,944
March	3,346,489	2,868,141	2,798,440
April		2,640,504	2,936,064
May		2,635,857	3,399,494
June		2,230,893	3,059,483
July		2,270,224	1,489,453
August		2,919,326	1,381,350
September		2,829,835	1,268,977
October		3,146,446	1,481,902
November		3,153,247	1,610,625
December		3,081,807	1,964,257
Total		33,425,576	25,599,118

* Source: American Iron and Steel Institute.

Total production of steel ingots for the first quarter of this year at 9,363,731 gross tons was the largest for any similar period since 1930, and was equivalent to 54.70 per cent of the industry's capacity. This compared with 8,517,437 tons, or 49.97 per cent of capacity, during the first quarter of last year.

Pig iron output during March, as reported by the Iron Age, totalled 2,040,311 tons. This was at a daily rate of 65,816 tons, compared with 62,886 tons in February, a gain of 4.7 per cent.

Pig Iron Production *

(Long Tons)

	1936	1935	1934
January	2,025,885	1,447,336	1,215,226
February	1,823,706	1,608,552	1,263,673
March	2,040,311	1,770,028	1,619,534
April		1,663,475	1,726,851
May		1,727,095	2,042,896
June		1,552,514	1,930,133
July		1,520,263	1,224,826
August		1,761,286	1,054,382
September		1,776,476	898,043
October		1,978,411	951,062
November		2,065,913	956,940
December		2,106,453	1,027,622
Total		21,007,802	15,911,188

* Source: *The Iron Age.*

FREIGHT CARLOADINGS

THE movement of railroad freight in the eastern sections of the country was greatly interrupted in the third week of March by floods. Loadings in the week ended March 21 dropped heavily to 566,808 cars, the smallest full week reported since July 13, last. In the final week of March, however, partial recovery from flood effects was reflected in a substantial rise to 600,487 cars for the week. This, however, was 2.6 per cent under the corresponding week of 1935.

Total loadings for the first thirteen weeks of 1936 amounted to 7,907,214 cars, an increase of 5.4 per cent over the same period of 1935, and of 4.5 per cent above the 1934 period.

Carloadings by commodity groups for the first thirteen weeks of 1936 and 1935, follow:

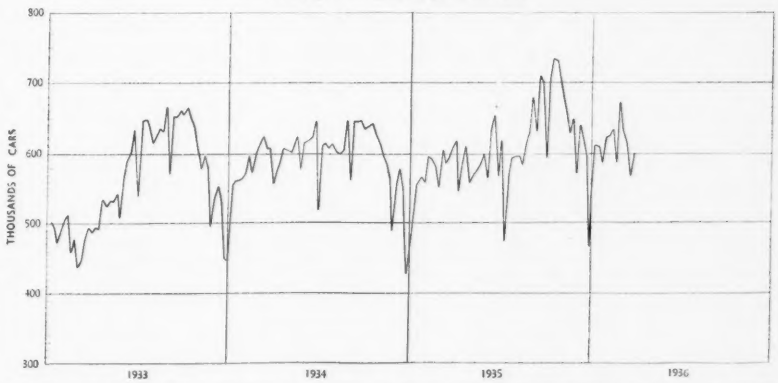
	1936	1935	Change P. C.
Miscellaneous freight	2,958,435	2,770,097	+ 6.8
Merchandise (L. C. L.)	1,918,291	1,981,771	— 3.2
Coal	1,916,016	1,803,935	+ 6.2
Forest products	360,476	301,804	+19.4
Ore	74,947	49,794	+50.5
Coke	118,324	95,567	+23.8
Grain & grain products	407,695	336,584	+21.1
Livestock	153,030	165,366	— 7.5

Carloadings by Weeks *

	1936	1935	1934
Mar. 28	600,487	616,520	610,190
Mar. 21	566,808	607,178	610,036
Mar. 14	616,862	597,431	627,549
Mar. 7	634,828	587,190	614,120
Feb. 29	673,123	604,331	605,717
Feb. 22	586,712	553,165	574,908
Feb. 15	631,347	581,669	600,268
Feb. 8	622,097	591,327	573,898

* Source: Association of American Railroads.

FREIGHT CARLOADINGS



Freight carloadings during the last two weeks of March reflected interruptions to business activity caused by the floods in the eastern sections of the country. A quick recovery, however, is looked for.

GRAPHIC REVIEWS

BUILDING PERMITS EXPAND

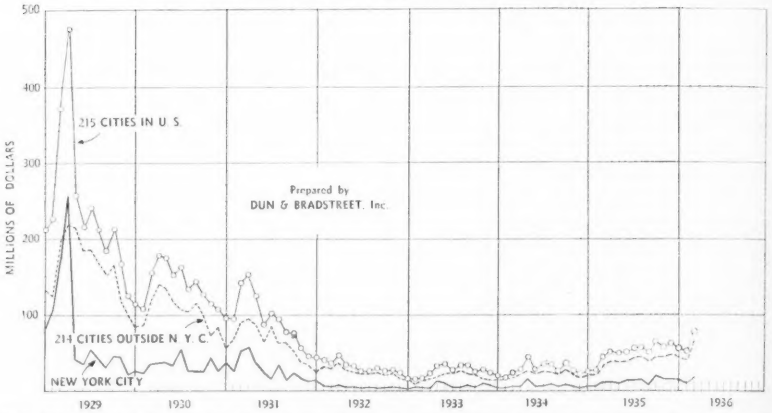
THE building construction industry in March gained by about the normal seasonal amount over February, thereby lifting the total value of permits for last month at the 215 cities to $78,072,223. This was the largest March figure reported since 1921 and was the highest total recorder for any months since September of that year. Compared with the February permit value of $51,559,661, a rise of 51.5 per cent was shown, while the increase over the March, 1935, figure of $45,063,852 was 73.3 per cent.

The group totals of building permit values for the 215 cities for March, this year and last, together with percentage changes, are shown in the following table:

	March, 1936	March, 1935	Change P. C.
New England..	$5,766,684	$2,367,356	+143.5
Middle Atlantic	22,127,180	16,072,374	+ 37.7
South Atlantic.	8,369,095	4,164,600	+101.0
East Central...	14,309,636	6,507,431	+119.9
South Central..	8,774,792	3,906,119	+124.6
West Central..	3,833,761	3,060,146	+ 25.3
Mountain	2,276,015	647,589	+251.5
Pacific	12,615,060	8,338,182	+ 51.3
Total U. S...	$78,072,223	$45,063,852	+ 73.3
New York City.	14,676,118	$11,447,168	+ 28.2
Outside N.Y.C..	$63,396,105	$33,616,684	+ 88.6

A comparison by geographical sections reveals gains in virtually all sections of the country when contrasting the March expenditures with those of February, the South Central group showing the only decline. In comparing March with the same month last year, all sections registered increases.

BUILDING PERMIT VALUES



The sharp seasonal increase in building permit values during March lifted the totals for the month and for the first three months of the current year to the highest levels recorded in the past five years.

Building Permit Values (Monthly)

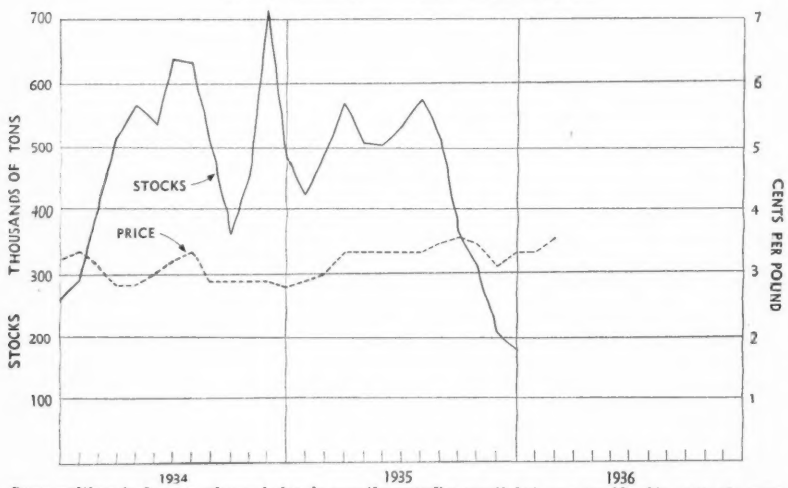
(215 Cities)

	1936	1935	1934
Jan.	$54,957,904	$26,826,268	$26,825,055
Feb.	51,559,661	27,636,367	19,326,964
Mar.	78,072,223	45,063,852	25,505,005
April	.....	51,717,570	29,280,666
May	.....	49,327,248	43,825,268
June	.....	52,672,794	28,621,565
July	.....	54,191,787	33,899,650
Aug.	.....	55,536,546	34,452,738
Sept.	.....	47,479,944	26,567,925
Oct.	.....	66,965,705	37,501,122
Nov.	.....	56,276,588	27,459,066
Dec.	.....	62,992,039	21,125,723
Total...	.....	$596,686,708	$348,390,747

SUGAR MELTINGS AND STOCKS

MELTINGS and stocks of raw sugar in the eight principal ports of the United States, as compiled by the Statistical Sugar Trade Journal, together with the monthly average price of duty free raws, are set forth below:

RAW SUGAR STOCKS AND PRICE



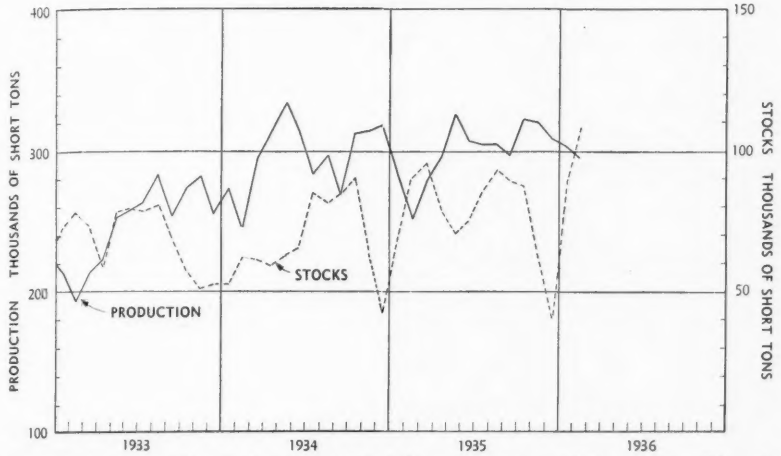
Sugar meltings in January advanced sharply over the preceding month but were considerably under the same month of last year. Stocks at the end of January declined to the lowest level in the past three years.

Raw Sugar Statistics

1936	Meltings (8 Ports)	Stocks (End of Month)	Price, N. Y. (Cents Per Lb.)
Jan. ..	321,986	178,176	3.3
1935			
Dec. ..	241,580	211,023	3.1
Nov. ..	240,378	310,543	3.5
Oct. ...	313,903	370,639	3.6
Sept. ..	301,969	512,518	3.5
Aug. ..	331,240	571,925	3.3
July ..	414,436	536,236	3.3
June ..	323,013	504,813	3.3
May ..	436,500	509,028	3.3
Apr. ...	340,929	567,039	3.3
Mar. ..	327,724	492,247	3.0
Feb. ...	300,884	424,085	2.9
Jan. ..	356,818	483,143	2.8
1934			
Dec. ..	227,522	718,953	2.9
Nov. ..	278,822	456,679	2.9
Oct. ...	411,507	363,952	2.9
Sept. ..	350,048	501,240	2.9
Aug. ..	307,685	626,796	3.3
July ..	300,448	633,593	3.2
June ..	350,731	537,831	2.9
May ..	344,352	561,680	2.8
Apr. ...	272,885	516,505	2.8
Mar. ..	289,666	406,345	3.1
Feb. ...	259,470	291,644	3.3
Jan. ..	237,313	256,031	3.2
1933			
Dec. ..	179,119	203,513	3.2
Nov. ..	264,289	248,054	3.2
Oct. ..	258,209	290,416	3.3
Sept. ..	277,642	311,462	3.5
Aug. ..	408,918	369,780	3.5
July ...	358,713	498,052	3.5
June ..	411,361	448,183	3.4
May ..	361,308	426,714	3.3
Apr. ...	345,677	367,545	3.1
Mar. ..	342,037	281,051	3.0
Feb. ..	224,948	200,163	2.8
Jan. ..	215,768	147,879	2.7

OF MAJOR TRENDS

NEWSPRINT PRODUCTION AND STOCKS



Newsprint production during the first two months of this year greatly exceeded a year ago. Shipments, however, failed to equal production by a considerable margin, resulting in a sharp increase in stocks.

NEWSPRINT STOCKS RISE

PRODUCTION of newsprint in Canada set new high records during February and in the first two months of 1936. Output of Canadian mills in February reached 221,569 tons, or more than 41,000 tons above last year and nearly 100,000 tons in excess of February, 1933. United States mills in February produced 72,252 tons, an increase of 1,447 tons over last year.

Newsprint Statistics *
United States and Canada

(Short Tons)

	Production	Shipments	Stocks
1936			
February ..	293,821	276,571	108,114
January ...	307,291	255,529	90,852
1935			
December ..	318,994	341,535	40,404
November .	341,809	366,330	63,466
October ...	346,589	348,899	87,919
September .	295,230	298,470	90,268
August	310,733	300,412	93,540
July	307,550	298,097	83,592
June	309,030	305,190	74,065
May	326,834	335,804	71,084
April	296,886	313,777	78,993
March	278,985	273,065	95,810
February ..	250,884	230,197	89,423
January ...	282,257	255,517	69,031

* Source: Newsprint Service Bureau.

Combined production for both countries in February was 293,821 tons, a rise of almost 43,000 tons over February a year ago, while the two months' output for both countries aggregated 601,112 tons, a gain of 67,971 tons, or 12.8 per cent, over the corresponding two months of 1935.

Canadian newsprint shipments in February totalled 206,076 tons, a gain of 45,217 over last year, while United States shipments at 70,495 tons were 1,057 tons above a year ago. This brought the combined February shipments for the two countries to 276,571 tons, or 46,374 tons above February, 1935.

Total production in February was 17,250 tons greater than shipments. As a result, mill stocks in both countries rose to 108,114 tons as of February 29, compared with 90,852 at the end of January, and 89,423 on February 28, 1935.

ELECTRICITY PRODUCTION

THE daily average production rate of electricity during February declined 0.5 per cent below the January average, or about twice the normal change for the period. Total output in February, according to the U. S. Geological Survey, amounted to 8,601,000,000 kilowatt-hours. Although 7 per cent below the January total, this was an increase of 15 per cent over the corresponding month of 1935, and also marked a new peak in the production of electricity for the month of February.

Monthly Electricity Production *

(Millions of kilowatt-hours)

	1936	1935	1934	1933
January ...	9,245	8,354	7,651	6,965
February ...	8,601	7,491	7,066	6,297
March	....	8,008	7,735	6,687
April	....	7,816	7,458	6,478
May	....	8,022	7,704	7,013
June	....	7,875	7,490	7,242
July	....	8,373	7,617	7,491
August	....	8,576	7,722	7,688
September .	....	8,206	7,207	7,350
October	....	8,847	7,833	7,479
November ..	....	8,690	7,609	7,243
December ..	....	9,139	8,058	7,470
Total	....	99,397	91,150	85,403

* Source: U. S. Geological Survey.

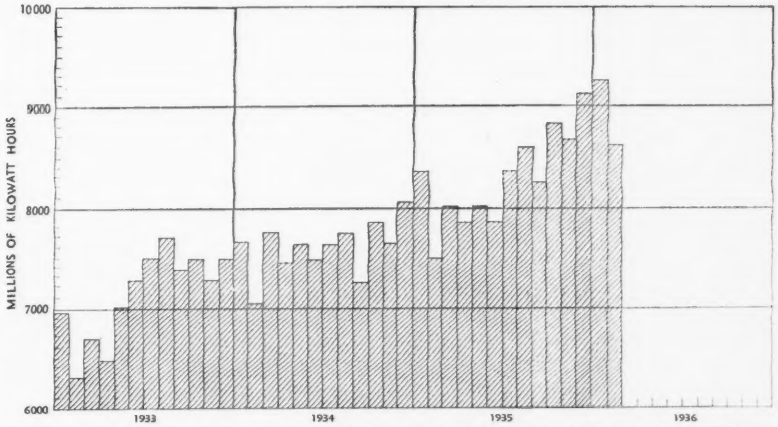
Weekly Electricity Output *

(Millions of kilowatt-hours)

	1936	1935	1934
Mar. 28.....	1,867,093	1,712,863	1,666,000
Mar. 21.....	1,862,387	1,724,763	1,658,000
Mar. 14.....	1,900,803	1,728,323	1,650,000
Mar. 7.....	1,893,311	1,724,131	1,647,000
Feb. 29.....	1,903,363	1,734,338	1,658,000
Feb. 22.....	1,941,633	1,728,293	1,646,000
Feb. 15.....	1,950,278	1,760,562	1,641,000
Feb. 8.....	1,952,476	1,763,696	1,652,000
Feb. 1.....	1,962,827	1,762,671	1,636,000

* Source: Edison Electric Institute.

ELECTRIC POWER PRODUCTION



Although 7 per cent below the record set up in January, the total production of electricity during February was 15 per cent above the same month of last year, and the highest February total ever recorded.

MARCH BUILDING PERMIT VALUES FOR 215 CITIES

THE detailed report of building permit values for March, 1936 and 1935, and for February, 1936, as reported to Dun & Bradstreet, Inc., follows:

New England	Mar., 1936	Mar., 1935	Feb., 1936
Boston	$652,796	$346,046	$645,914
Bridgeport	235,977	44,467	42,375
Brockton	35,065	31,600	25,000
Burlington, Vt.	32,540	1,625	400
Cambridge	69,318	93,030	34,195
Chelsea	8,913	10,450	10,035
Everett	9,456	30,740	7,300
Fall River	15,685	11,580	14,290
Fitchburg	16,383	14,216	28,585
Greenwich	191,260	89,748	103,520
Hartford	85,599	123,275	120,712
Haverhill	23,425	2,750	167,530
Holyoke	4,300	7,625	2,750
Lawrence	30,300	23,000	132,950
Lowell	23,205	66,590	13,170
Lynn	40,664	37,310	10,300
Manchester	25,983	28,683	16,550
Medford	436,310	10,700	19,045
New Bedford	14,055	21,300	9,125
New Britain	75,049	19,108	191,839
New Haven	154,559	67,099	34,740
Newton	636,177	248,790	122,375
Norwalk	57,918	87,405	77,295
Portland, Me.	114,115	13,494	18,293
Providence	1,520,341	251,300	55,850
Quincy, Mass.	177,238	29,960	35,888
Salem	314,625	27,925	118,100
Somerville	15,715	26,496	2,830
Sp'gfield, Mass.	227,524	30,310	45,252
Stamford	46,055	58,815	16,410
Waterbury	43,600	13,550	35,050
West Hartford	260,124	440,524	80,766
Worcester	172,410	57,845	29,235
Total	$5,766,684	$2,367,356	$2,267,669
Middle Atlantic			
Manhattan 1.	$2,800,550	$1,279,825	$1,013,300
Manhattan 2.	2,466,720	1,258,975	1,034,985
Bronx 1	1,408,200	1,387,050	2,734,500
Bronx 2	405,161	225,416	1,434,399
Brooklyn 1	2,831,980	2,164,635	833,350
Brooklyn 2	1,063,635	953,300	759,935
Queens 1	3,119,515	2,304,787	1,685,305
Queens 2	330,653	1,174,310	494,888
Richmond 1	173,582	640,580	239,659
Richmond 2	76,120	58,290	353,493
Total N.Y.C.	$14,676,118	$11,447,168	$10,583,814

(1) New work. (2) Alterations.

Albany	$223,224	$109,661	$88,523
Allentown	44,695	169,845	10,500
Altoona	34,256	33,253	14,220
Atlantic City	82,686	88,442	22,090
Auburn	2,960	8,100	1,432
Bayonne	19,365	26,160	26,835
Binghamton	94,315	96,219	28,838
Buffalo	113,874	602,315	51,870
Camden	49,485	807,247	55,566
East Orange	208,701	52,373	24,072
Elizabeth	65,078	19,735	54,745
Elmira	38,061	10,773	5,754
Erie	27,325	13,965	16,355
Harrisburg	24,450	42,295	16,150
Jamestown	5,810	13,770	1,125
Jersey City	125,726	91,226	27,755
Lancaster	44,730	140,375	30,858
Mount Vernon	144,145	41,165	21,655
Newark, N. J.	168,369	175,892	117,250

Mid. Atlantic (Cont.)	Mar., 1936	Mar., 1935	Feb., 1936
New Brunswick	$92,525	$11,275	$1,150
New Rochelle	108,131	41,320	20,472
Niagara Falls	81,303	58,341	16,179
Philadelphia	2,197,570	934,010	596,300
Pittsburgh	214,126	306,364	201,532
Poughkeepsie	1,550	31,900	26,000
Reading	440,155	26,705	50,975
Rochester	91,055	143,469	64,390
Schenectady	53,015	28,088	35,000
Scranton	26,055	30,952	5,495
Syracuse	443,568	51,156	50,435
Troy	29,481	18,655	9,800
Utica	25,028	15,675	8,750
Watertown	11,124	13,559	1,230
White Plains	375,115	33,245	8,350
Wilkes-Barre	48,411	95,858	140,761
Williamsport	18,385	20,258	35,943
Wilmington	1,431,846	88,518	95,724
Yonkers	213,700	111,300	98,900
York	31,664	21,747	18,879
Total	$22,127,180	$16,072,374	$12,685,672
South Atlantic			
Asheville	$29,440	$31,605	$36,450
Atlanta	806,356	187,659	174,455
Augusta	25,923	29,377	113,035
Baltimore	1,394,040	585,120	2,186,784
Charleston, S.C.	522,820	29,209	83,467
Charlotte	162,707	99,009	137,467
Coral Gables	94,175	60,000	100,750
Greensboro	118,057	22,366	77,009
Greenville	171,807	117,040	97,875
J'ksonville, Fla.	283,694	181,223	250,595
Lynchburg	58,102	43,035	22,681
Macon	136,370	32,257	25,146
Miami	844,977	256,283	938,606
Miami Beach	879,750	346,035	386,840
Norfolk	98,199	52,170	53,060
Richmond	333,776	164,010	173,117
Roanoke	73,902	145,885	34,157
Savannah	47,276	9,682	112,988
Tampa	40,138	38,529	54,390
Wash'gton, D.C.	2,112,085	1,668,373	2,080,780
Winston-Salem	135,501	65,788	43,566
Total	$8,369,095	$4,164,655	$7,183,218
East Central			
Akron	$337,531	$87,163	$56,108
Bay City	27,743	13,791	27,105
Berwyn	29,575	5,655	350
Bluefield	6,800	1,770	60,150
Canton	49,990	10,530	8,900
Chicago	1,937,118	1,370,740	613,550
Cincinnati	1,297,725	848,210	611,335
Clarksburg	29,811	5,755	25,151
Cleveland	640,700	353,900	336,100
Columbus	174,300	779,300	89,200
Dayton	109,244	78,540	31,433
Detroit	3,590,606	1,115,833	888,160
East St. Louis	39,165	9,210	46,248
Evanston	110,500	44,500	29,250
Evansville	195,651	115,772	66,351
Flint	142,686	65,600	49,149
Fort Wayne	115,963	75,281	41,046
Gary	50,178	36,337	18,230
Grand Rapids	183,670	59,770	11,825
Green Bay	40,055	36,060	2,682
Hammond	645,679	68,143	19,106
Huntington	273,755	11,375	39,190
Indianapolis	482,274	169,208	128,060
Lansing	407,630	19,240	8,235
Lima	13,099	5,270	14,135
Louisville	250,260	208,187	82,925
Madison	97,010	46,590	55,655
Milwaukee	721,156	388,367	284,373
Newark, Ohio	20,475	1,175	None
Oak Park	166,740	47,025	27,000
Peoria	116,500	42,985	32,725
Pontiac	62,630	5,985	5,053
Quincy, Ill.	19,380	3,195	9,900
Racine	50,520	6,350	304,500
Rockford	212,185	10,375	36,625
Saginaw	71,450	37,012	23,100
South Bend	210,910	27,150	27,530
Springfield, Ill.	373,387	29,155	8,000
Springfield, O.	19,389	20,440	13,350
Superior	15,261	24,757	2,667
Terre Haute	308,125	21,844	26,315
Toledo	389,972	31,055	18,455
Waukegan	80,372	17,499	3,346
Wheeling	109,900	69,413	25,600
Youngstown	76,716	81,819	12,835
Zanesville	5,850	100	8,000
Total	$14,309,636	$6,507,431	$4,228,997

South Central	Mar., 1936	Mar., 1935	Feb., 1936
Abilene	$19,542	$1,704	$5,135
Amarillo	54,111	28,773	43,295
Austin	241,230	221,254	456,432
Beaumont	112,783	37,350	102,232
Birmingham	135,906	693,333	57,017
Chattanooga	318,142	52,706	239,961
Dallas	1,164,418	213,864	2,149,091
El Paso	37,303	19,712	53,171
Fort Smith	29,406	19,854	35,727
Fort Worth	660,838	88,725	284,975
Galveston	143,240	27,306	71,013
Houston	2,570,891	318,768	3,691,312
Jackson	210,818	50,330	211,840
Knoxville	175,897	230,248	97,763
Little Rock	68,840	54,265	27,211
Memphis	408,200	761,410	443,690
Mobile	34,165	23,275	40,428
Montgomery	63,492	33,372	65,757
Muskogee	12,855	29,465	1,985
Nashville	426,519	138,758	1,949,648
New Orleans	329,315	148,222	144,950
Oklahoma City	529,125	156,218	1,271,838
Port Arthur	135,601	24,403	48,344
San Angelo	15,670	11,950	19,323
San Antonio	223,780	244,377	149,012
Shreveport	190,938	100,273	136,650
Tulsa	278,472	108,870	149,625
Waco	170,437	26,045	39,896
Wichita Falls	12,858	41,289	18,575
Total	$8,774,792	$3,906,119	$12,005,896
West Central			
Cedar Rapids	$120,836	$136,606	$48,487
Davenport	54,862	24,119	24,468
Des Moines	216,197	539,126	56,300
Dubuque	12,158	17,585	46,482
Duluth	82,629	47,906	13,546
Fargo	4,950	18,000	1,170
Kan. City, Kan.	44,055	19,340	44,815
Kan. City, Mo.	298,400	200,900	356,400
Lincoln	113,313	35,758	6,500
Minneapolis	616,465	900,350	388,930
Omaha	226,721	141,715	292,745
St. Joseph	12,880	4,475	4,200
St. Louis	1,043,741	621,985	298,275
St. Paul	325,960	162,483	126,717
Sioux City	40,300	69,135	2,400
Sioux Falls	24,195	21,035	6,000
Topeka	407,780	3,170	628,570
Wichita	188,319	93,458	118,839
Total	$3,833,761	$3,060,146	$2,464,844
Mountain			
Billings *	$64,825	$23,750	$5,560
Boise	409,107	79,047	191,274
Butte	539,105	2,575	4,830
Colorado Spr'gs	17,545	96,961	99,070
Denver	657,840	252,914	449,142
Great Falls	32,045	20,014	3,330
Ogden	56,200	23,878	7,149
Phoenix	168,950	32,395	78,503
Pueblo	20,167	20,683	5,290
Salt Lake City	238,284	85,076	96,309
Tucson	136,772	34,046	142,410
Total	$2,276,015	$647,589	$1,077,307

(*) Not included in totals.

Pacific			
Bakersfield	$164,079	$70,350	$186,823
Berkeley	334,002	88,484	117,326
Beverley Hills	384,300	253,890	190,735
Fresno	167,556	74,170	173,733
Glendale	361,135	173,752	529,598
Long Beach	652,750	400,710	737,575
Los Angeles	4,646,331	2,657,056	3,112,503
Oakland	719,220	487,402	388,053
Pasadena	204,643	101,686	110,667
Portland, Ore.	404,265	241,210	1,132,025
Sacramento	1,106,490	120,199	339,092
San Diego	621,471	801,156	380,452
San Francisco	886,570	2,321,368	1,299,971
San Jose	156,235	111,805	177,360
Seattle	1,434,045	224,855	389,479
Spokane	157,565	106,599	67,790
Stockton	120,957	47,640	257,221
Tacoma	93,446	55,850	55,664
Total	$12,615,060	$8,338,182	$9,646,058
Total U. S.	$78,072,223	$45,063,852	$51,559,661
New York City	$14,676,118	$11,447,168	$10,583,814
Outside N.Y.C.	$63,396,105	$33,616,684	$40,975,847

MARCH BANK CLEARINGS SET FIVE-YEAR HIGH

SOME unusual events materially affected the report of bank clearings during the month of March in the past six years. The widespread restraint in trading was reflected by the heavy losses in clearings during 1931 and 1932. The bank holiday in 1933, in which year a moratorium was first declared in Michigan on February 14, was subsequently extended to other States, and on March 6, a four-day national banking holiday was announced by the President. As a result of these banking restrictions, clearings dropped far below their totals for that month in years prior to 1933. Banking difficulties were so well and speedily handled, however, that clearings had reached the peak for that year by July.

When the conditions which prevailed during 1933 are known, it is needless to state that no fair comparison can be made between that year and March, 1934, at which time the trend was more nearly normal. Drastic declines were noted in March, 1933, from the totals for 1932. Large drops were also shown in the comparison of the totals for 1932 and 1931.

Daily Average Bank Clearings

(000 omitted)

	1936	1935	
March	$1,023,446	$936,678	+ 9.3
February ...	959,346	873,105	+ 9.9
January ...	972,770	907,278	+ 7.2
	1935	1934	
December ..	$962,866	$869,271	+10.8
November ..	926,672	739,907	+25.2
October	925,833	747,546	+23.8

Current Clearings Rise

Since 1933, a steady advance has appeared in the clearings for March. This year, the total for twenty-two leading cities in the United States for that month was $26,610,000,000, which set a five-year high for March. A gain of 9.3 per cent over the March, 1935, figures of $24,354,000,000 was shown. The rise at outside centers amounted to 11.1 per cent and at New York City, to 8.5 per cent. In March, 1935, the increase over the figures for 1934 of 12.4 per cent at New York City topped the rise of 10.2 per cent at outside centers. The increase in the total was 11.7 per cent over that for the preceding year.

Quarterly Bank Clearings

(000,000 omitted)

	1936	1935	Per Cent Change
March	$26,610	$24,354	+ 9.3
February	22,065	19,108	+15.5
January	25,292	23,590	+ 7.2
Total	$73,967	$67,052	+10.3

Bank clearings for the first three months of the current year aggregated $73,967,000,000. In 1935, for the corresponding three months the total amounted to $67,052,000,000. The percentage increase for the first quarter of this year over the first quarter of 1935 was 10.3. Of the three months, February revealed the largest percentage of gain. An advance of 15.5 per cent in that month over February of last year, compared with a gain of 7.2 per cent in January and one of 9.3 per cent in March over the corresponding 1935 totals.

Daily average clearings for March reached the highest point for any month since December, 1931. These totalled $1,023,446,000 in March this year.

MARCH BANK CLEARINGS, 1931 TO 1936

(000,000 omitted)

	March, 1936	Per Cent*	March, 1935	Per Cent*	March, 1934	Per Cent*	March, 1933	Per Cent*	March, 1932	Per Cent*	March, 1931
Boston	$959	+ 8.6	$884	+ 3.4	$854	+ 47.2	$580	−42.2	$1,003	−40.5	$1,686
Philadelphia	1,386	+ 4.7	1,324	+ 6.9	1,239	+ 49.1	831	−37.4	1,327	−22.2	1,705
Buffalo	131	+17.0	112	− 2.6	115	+ 59.7	72	−40.0	120	−27.7	166
Pittsburgh	449	+ 9.0	412	+17.0	352	+ 36.4	258	−29.9	368	−38.8	601
Cleveland	313	+20.8	259	+ 5.3	246	+ 132.1	106	−63.9	294	−33.9	445
Cincinnati	229	+11.2	206	+14.4	180	+ 80.0	100	−46.2	186	−25.0	248
Baltimore	250	+ 4.6	239	+ 8.6	220	+ 113.6	103	−58.1	246	−26.8	336
Richmond	134	+ 3.1	130	+12.1	116	+ 58.9	73	−36.5	115	−23.3	150
Atlanta	193	+ 3.2	187	+11.3	168	+ 95.3	86	−33.8	130	−22.2	167
New Orleans.....	127	+ 8.5	117	+14.7	102	+ 750.0	12	−90.0	120	−28.1	167
Chicago	1,268	+19.5	1,061	+17.5	903	+ 49.8	603	−44.5	1,086	−40.1	1,814
Detroit	411	+ 6.5	386	+21.8	317	+2338.5	13	−95.7	299	−52.6	631
St. Louis.....	358	+ 8.2	331	+13.7	291	+ 71.2	170	−38.6	277	−30.6	399
Louisville	131	+13.9	115	+ 7.5	107	+ 101.9	53	−30.3	76	−24.0	100
Minneapolis	241	+ 9.0	221	+ 5.7	209	+ 47.2	142	−29.7	202	−24.6	268
Kansas City.....	353	+ 5.1	336	+15.9	290	+ 73.7	167	−41.0	283	−27.1	388
Omaha	150	+24.0	121	−11.0	136	+ 134.5	58	−43.1	102	−37.0	162
Dallas	189	+19.6	158	+11.3	142	+ 75.3	81	−33.6	122	−21.8	156
San Francisco.....	608	+20.2	506	+11.0	456	+ 44.8	315	−32.0	463	−26.3	628
Portland, Ore.....	122	+13.0	108	+ 2.9	105	+ 118.8	48	−39.2	79	−33.1	118
Seattle	135	+22.7	110	+13.4	97	+ 38.6	70	−36.4	110	−24.1	145
Total	$8,138	+11.1	$7,323	+10.2	$6,645	+ 68.6	$3,941	−43.8	$7,008	−33.1	$10,480
New York.....	18,472	+ 8.5	17,031	+12.4	15,158	+ 32.3	11,456	−26.6	15,609	−40.4	26,168
Total All.....	$26,610	+ 9.3	$24,354	+11.7	$21,803	+ 41.6	$15,397	−31.9	$22,617	−38.3	$36,648

* Per cent change from year preceding.

STATISTICAL RECORD OF

VISIBLE GRAIN SUPPLIES

Returns to DUN & BRADSTREET, INC., of available wheat stocks held on April 4, 1936, in the United States and Canada, leading ports of the United Kingdom and Europe, and the supply on passage for the United Kingdom, also the stocks of corn and oats held in the United States and Canada, with comparisons, are as follows, figures being in bushels:

Wheat	*Apr. 4, 1936*	*Changes from Last Week*	*Apr. 6, 1935*
United States, east of Rocky Mountains	49,537,000	— 1,611,000	50,542,000
United States, west of Rocky Mountains	5,610,000	— 581,000	3,934,000
Canada	206,823,000	— 3,726,000	226,029,000
Total, United States and Canada	261,970,000	— 5,918,000	280,505,000
United Kingdom and Afloat (Broomhall)	45,900,000	— 200,000	44,100,000
Total, American, United Kingdom and Afloat	307,870,000	— 6,118,000	324,605,000
Continent { Marseilles, Rotterdam & Amsterdam } (Broomhall)	2,700,000	— 300,000	4,600,000
Total, American and European Supply	310,570,000	— 6,418,000	329,205,000
Corn—United States and Canada	7,955,000	— 63,000	20,356,000
Oats—United States and Canada	50,091,000	— 715,000	27,317,000

The combined aggregate wheat visible supply statistics, in bushels, follow. (Last three 000 omitted):

Week ending 1936	*U. S. east of Rockies*	*U. S. Pacific Coast*	*Total U. S.*	*Canada*	*Total U. S. and Canada both Coasts*	*U. K. and Afloat (Broomhall)*	*Total American, U. K. and Afloat*	*Continent*	*Total America and Europe*
Jan. 4	74,730	7,253	81,983	259,928	341,911	30,500	372,411	3,800	376,211
Jan. 11	72,182	7,251	79,433	256,124	335,557	30,900	366,457	4,100	370,557
Jan. 18	70,737	7,027	77,764	251,967	329,731	32,600	362,331	3,800	366,131
Jan. 25	69,616	6,941	76,557	247,948	324,505	36,400	360,905	3,600	364,505
Feb. 1	68,010	7,084	75,094	243,631	318,725	35,300	354,025	3,600	357,625
Feb. 8	65,323	7,051	72,374	238,888	311,262	38,200	349,462	3,900	353,362
Feb. 15	63,715	6,783	70,498	234,523	305,021	40,000	345,021	3,900	348,921
Feb. 22	61,288	6,710	67,998	228,716	296,714	42,900	339,614	4,000	343,614
Feb. 29	58,164	6,625	64,789	223,725	288,514	47,700	336,214	3,800	340,014
Mar. 7	55,097	5,490	60,587	220,398	280,985	48,400	329,385	3,300	332,685
Mar. 14	53,934	6,646	60,580	215,127	275,707	47,600	323,307	3,600	326,907
Mar. 21	52,420	6,410	58,830	213,522	272,352	46,300	318,652	3,300	321,952
Mar. 28	51,148	6,191	57,339	210,549	267,888	46,100	313,988	3,000	316,988
Apr. 4	49,537	5,610	55,147	206,823	261,970	45,900	307,870	2,700	310,570

Corn Exports

(By telegraph to Dun & Bradstreet, Inc.)

Corn exports in bushels from leading United States and Canadian ports compare as follows:

Week ending	*1936*	*1935*	*1934*
Jan. 4	.....	.....	1,000
Jan. 11	.....	2,000	2,000
Jan. 18	2,000	.....	1,000
Jan. 25	.....	3,000	28,000
Feb. 1	5,000	7,000	12,000
Feb. 8	1,000	2,000	33,000
Feb. 15	5,000	1,000	15,000
Feb. 22	5,000	.....	75,000
Feb. 29	1,000	5,000	9,000
Mar. 7	9,000	.....	49,000
Mar. 14	3,000	.....	40,000
Mar. 21	11,000	.....	.....
Mar. 28	1,000	.....	10,000
Apr. 4	.....	1,000	10,000
July 1 to date	88,000	27,000	592,000

Wheat and Flour Exports

(By telegraph to Dun & Bradstreet, Inc.)

The quantity of wheat (including flour as wheat) exported from leading United States and Canadian ports for the week and season compare as follows, in bushels:

Week ending	*1936*	*1935*	*1934*
Jan. 4	1,773,127	1,691,338	4,061,746
Jan. 11	2,987,713	1,947,836	4,042,082
Jan. 18	4,073,779	1,817,608	5,191,770
Jan. 25	4,372,026	2,272,329	3,287,630
Feb. 1	4,613,230	2,909,021	4,518,725
Feb. 8	4,803,483	2,035,497	3,165,078
Feb. 15	4,401,951	1,872,675	3,622,380
Feb. 22	4,632,699	3,229,615	3,122,133
Feb. 29	3,309,105	1,921,906	4,451,617
Mar. 7	2,977,671	1,925,088	2,834,119
Mar. 14	3,162,472	2,936,566	3,780,985
Mar. 21	3,195,079	2,255,264	3,312,665
Mar. 28	3,766,653	2,139,971	2,643,287
Apr. 4	3,288,063	2,314,734	3,426,419
July 1 to date	127,047,329	116,565,646	158,310,645

Grain Movement

Receipts of flour and grain at twelve Western lake and river points for the week and season compare as follows (000 omitted):

Week	*Flour, bbls.*	*Wheat, bus.*	*Corn, bus.*	*Oats, bus.*
Apr. 4, 1936	373	1,854	4,174	1,129
Mar. 28, 1936	347	2,144	4,297	2,219
Mar. 21, 1936	348	2,748	5,504	2,229
Mar. 14, 1936	372	2,663	5,660	2,600
Mar. 7, 1936	440	2,660	4,821	2,342
Apr. 6, 1935	335	1,238	2,226	516

Season, July 1, 1935, to April 4, 1936—
Flour, bbls... 14,545 Corn, bus.... 134,026
Wheat, bus... 297,106 Oats, bus.... 111,057

Season, July 1, 1934, to April 6, 1935—
Flour, bbls... 14,052 Corn, bus.... 169,125
Wheat, bus... 214,682 Oats, bus.... 43,039

Cereal Exports by Ports

(By telegraph to Dun & Bradstreet, Inc.)

Exports of cereals from leading ports in the United States and Canada for the week ending April 4, 1936, were as follows:

From	*Flour, barrels*	*Wheat, bushels*	*Corn, bushels*
New York	50,892	775,000	.....
Philadelphia	.....	40,000	.....
Baltimore	.....	.....	.....
Boston	.....	.....	.....
Newport News	.....	.....	.....
Norfolk	.....	.....	.....
New Orleans	3,000	.....	.....
Galveston	.....	.....	.....
Total, Atlantic	53,892	815,000	.....
Previous week	53,720	937,000	1,000
San Francisco	453	.....	.....
Portland, Ore.	.....	.....	.....
Puget Sound	.....	.....	.....
Total, Pacific	453	.....	.....
Previous week	8,212	.....	.....
Total, U. S.	54,345	815,000	.....
Previous week	61,932	937,000	1,000
Montreal	.....	.....	.....
Halifax	23,000	279,000	.....
Vancouver	.....	1,399,010	.....
West St. John	40,000	267,000	.....
St. John	.....	.....	.....
Total, Canada	63,000	1,945,010	.....
Previous week	98,000	2,109,959	.....
Grand total	117,345	2,760,010	.....
Previous week	159,932	3,046,959	1,000

U. S. Grain East of Rocky Mountains

Stocks of grain available in the United States April 4, 1936, in bushels, were as follows, with comparisons:

(Last three 000 omitted)

	Wheat	*Corn*	*Oats*	*Barley*
Minneapolis	9,995	77	10,570	5,457
Duluth	4,522	50	8,525	2,528
Sioux City, Iowa	234	71	345	18
Milwaukee	791	26	394	1,350
Afloat	....	....	220	....
Omaha and Council Bluffs	3,151	490	4,194	731
Hutchinson	1,258	....	....	....
Lincoln, Neb.	415	25	....	....
Wichita	779	3	4	....
Kansas City	8,828	177	2,166	181
St. Joseph	578	272	781	80
Chicago	5,069	2,297	6,487	763
Afloat	....	....	142	47
Peoria	1	57	....	....
Indianapolis	1,035	1,350	384	....
St. Louis	1,071	846	456	39
Louisville	1,880	91	84	2
Chattanooga	165	22	....	....
Nashville	194	80	218	....
New Orleans	4	41	50	1
Galveston	399	10	....	....
Fort Worth, Tex.	1,185	286	256	15
Dallas, Tex.	586	....	....	....
On Lakes	....	....	....	....
On Canal	....	....	....	....
Detroit	140	7	8	50
Erie, Pa.	....	....	....	2
Cleveland	57	....	....	....
Mansfield	235	355	225	....
Dayton	8	6	7	3
Cincinnati	283	160	72	....
Buffalo	5,742	816	947	1,439
Afloat	....	....	588	243
Boston	2	2	22	....
Providence, R. I.	2	14	32	2
New York	57	254	339	21
Afloat	....	....	41	....
Philadelphia	418	41	48	3
Baltimore	273	24	23	3
Newport News	....	....	....	....
Norfolk	180	5	20	....
Apr. 4, 1936	49,537	7,955	37,648	12,978
Mar. 28, 1936	51,148	8,018	38,466	13,011
Apr. 6, 1935	50,542	20,356	13,355	8,601

Canadian Grain Stocks

The available grain stocks in Canada April 4, 1936, follow, with comparisons:

(Last three 000 omitted)

	Wheat	*Corn*	*Oats*	*Barley*
Montreal	8,025	....	376	496
Churchill	2,281	....	....	....
Country Elevators	73,772	....	6,380	3,400
Int. Term. Elevators	2,791	....	972	433
Int. Private & Mfg. Elevators	6,130	....	1,177	1,411
Ft. William and Pt. Arthur	44,845	....	2,052	2,819
Canadian Afloat	2,451	....	....	....
Victoria	....	....	....	....
Vancouver	11,356	....	542	10
Prince Rupert	1,028	....	....	....
Bonded grain in the United States	15,094	....	82	....
Other Canadian	39,050	....	862	458
Apr. 4, 1936	206,823	....	12,443	9,027
Mar. 28, 1936	210,549	....	12,340	8,872
Apr. 6, 1935	226,029	....	13,962	10,368

The Montreal, Fort William and Port Arthur and bonded grain totals are furnished by the New York Produce Exchange and Chicago Board of Trade. The other Canadian totals are telegraphed to DUN & BRADSTREET, INC., by the Agricultural Branch of the Dominion Bureau of Statistics of Ottawa.

Pacific Coast Wheat Stocks

	Apr. 4, 1936	*Mar. 28, 1936*
Portland, Ore.	3,235,000	3,724,000
Tacoma, Wash.	1,108,000	1,115,000
Seattle, Wash.	1,267,000	1,352,000
Total	5,610,000	6,191,000

COMMERCE AND FINANCE

FINANCIAL STATISTICS

	Mar., 1936	Mar., 1935	Ch'ge. P. Ct.	Feb., 1936	Ch'ge P. Ct.
Bank clearings, N. Y. City ($)*	18,471,635	17,031,307	+ 8.5	14,582,395	+ 26.7
Bank debits, N. Y. City ($)*	19,629,156	15,894,710	+ 23.5	15,806,394	+ 24.2
Bank debits, U. S. ($)*	37,493,065	31,648,618	+ 18.5	31,571,993	+ 18.8
Bond sales, Munic. ($)	116,793,722	146,403,362	— 20.2	91,940,835	+ 27.0
Bond sales, N. Y. Curb Exchange ($)	77,893,000	91,109,000	— 14.5	100,688,000	— 22.6
Bond sales, N. Y. Stock Exchange ($)	285,429,900	311,534,900	— 8.4	373,004,100	— 23.5
Corporate issues ‡ ($)	331,822,249	133,530,000	+ 148.5	140,431,382	+ 136.3
Failures, number †	946	940	+ 0.6	856	+ 10.5
Failures, liabilities † ($)	16,271,000	15,261,000	+ 6.6	14,089,000	+ 15.5
Stock sales, N. Y. Curb Exchange (shares)	14,298,230	3,179,726	+ 349.8	20,562,599	— 30.5
Stock sales, N. Y. Stock Exchange (shares)	51,025,148	15,948,017	+ 219.9	60,871,262	— 16.2

	Feb., 1936	Feb., 1935	Ch'ge P. Ct.	Jan., 1936	Ch'ge P. Ct.
Automobile financing, retail ($)	87,169,493	66,418,983	+ 31.2	88,648,793	— 1.7
Auto. financing, wholesale ($)	113,830,495	106,054,455	+ 7.3	118,872,106	— 4.2
Fire losses ($)	30,909,896	25,081,625	+ 23.2	27,729,930	+ 11.5
Foreign Trade, U. S. Mdse. Exports ($)	182,630,000	162,999,000	+ 12.0	197,950,000	— 7.7
Foreign Trade, U. S. Mdse. Imports ($)	192,821,000	152,491,000	+ 26.4	187,440,000	+ 2.9
Life insurance, sales, ($)	665,140,000	719,598,000	— 7.6	681,506,000	— 2.4
Ry. earnings, gross ($)	300,458,829	254,927,606	+ 17.9	299,098,677	+ 0.5
Ry. earnings net oper. income ($)	33,594,718	26,296,411	+ 27.8	35,764,748	— 6.1

* Three cyphers omitted. † Dun & Bradstreet, Inc. ‡ Journal of Commerce.

PRODUCTION

	Mar., 1936	Mar., 1935	Ch'ge P. Ct.	Feb., 1936	Ch'ge P. Ct.
Building† (215 cities) ($)	78,072,223	45,063,852	+ 73.3	51,559,661	+ 51.5
Coal, anthracite (tons)	2,741,000	3,082,000	— 11.1	6,461,000	— 57.6
Coal, bituminous (tons)	30,692,000	38,701,000	— 20.7	41,375,000	— 25.8
Const. contr. awarded (37 States) †† ($)	199,028,300	122,940,500	+ 61.9	142,050,200	+ 40.1
Flour (bbls.)	5,356,455	5,210,535	+ 2.8	5,444,070	— 1.6
Pig iron (tons)	2,040,311	1,770,028	+ 15.3	1,823,706	+ 11.9
Steel ingot (tons)	3,346,489	2,858,141	+ 17.1	2,967,803	+ 12.8
Zinc (tons)	42,483	36,735	+ 15.6	36,228	+ 17.3

	Feb., 1936	Feb., 1935	Ch'ge P. Ct.	Jan., 1936	Ch'ge P. Ct.
Automobile (cars and trucks)	290,964	335,667	— 13.3	367,252	— 20.8
Boots and shoes (pairs)	31,739,837	30,874,715	+ 2.8	32,419,989	— 2.1
Babbitt metal (lbs.)	2,012,721	1,630,541	+ 23.4	2,510,461	— 19.8
Cement (bbls.)	3,454,000	3,053,000	+ 13.1	3,630,000	— 4.8
Coke (tons)	3,293,542	2,873,432	+ 14.6	3,450,342	— 4.6
Cotton mill spin. hours*	6,736,374	6,575,357	+ 2.4	7,713,696	— 12.7
Electricity, k. w. h.*	8,601,000	7,491,000	+ 14.8	9,245,000	— 7.0
Gasoline (bbls.)	37,176,000	32,702,000	+ 13.7	39,544,000	— 6.0
Glass, pl. pol. (sq. ft.)	13,857,000	13,723,000	+ 1.0	17,276,000	— 19.8
Gold (Rand) (ozs.)	894,624	821,246	+ 8.9	924,081	— 3.2
Lead, refined (tons)	34,127	27,495	+ 24.1	36,296	— 6.0
Malleable castings (tons)	40,449	41,377	— 2.2	48,414	— 16.5
Newsprint, U. S. & Canada (tons)	293,821	250,884	+ 17.1	307,291	— 4.4
Paperboard (tons)	271,107	251,870	+ 7.6	270,928	+ 0.1
Petroleum, crude (bbls.)	82,120,000	72,763,000	+ 12.9	88,820,000	— 7.5
Pneumatic casings§	4,578,710	4,626,473	— 1.0	4,051,286	+ 13.0
Range boilers (no.)	65,658	57,294	+ 14.6	65,409	+ 0.4
Steel barrels	512,275	404,203	+ 26.7	536,892	— 4.6
Steel castings, commercial (tons)	47,954	29,687	+ 61.5	44,298	+ 8.3
Steel sheets (short tons)	191,359	219,062	— 12.6	223,000	— 14.2
Sulphuric acid (tons)	152,860	154,359	— 1.0	156,878	— 2.6
Tobacco and products Cigarettes, small*	10,766,370	9,306,199	+ 15.7	12,724,858	— 15.4
Cigars, large	356,624,025	320,864,191	+ 11.1	336,579,363	+ 6.0
Tobacco and snuff (lbs.)	27,918,989	26,102,677	+ 7.0	29,489,715	— 5.0

* Three cyphers omitted. † Dun & Bradstreet, Inc. †† F. W. Dodge Corp.
§ January and corresponding months.

SHIPMENTS AND CONSUMPTION

	Mar., 1936	Mar., 1935	Ch'ge P. Ct.	Feb., 1936	Ch'ge P. Ct.
Silk consumption (bales)	36,000	44,347	— 18.8	32,053	+ 12.3
Steel shipments (tons)	783,552	668,056	+ 17.3	676,315	+ 15.9
Tin, deliveries U. S. (long tons)	5,520	5,495	+ 0.5	5,600	— 1.4
Zinc, shipments (tons)	38,159	41,205	— 7.4	39,918	— 4.4

	Feb., 1936	Feb., 1935	Ch'ge P. Ct.	Jan., 1936	Ch'ge P. Ct.
Anthracite, ship. (tons)	5,933,723	3,945,542	+ 50.4	4,865,207	+ 22.0
Babbitt met., sales (lbs.)	1,488,821	1,169,310	+ 27.3	1,964,480	— 24.2
Carloading (cars)	2,616,800	2,369,900	+ 10.4	3,088,100	— 15.3
Cement, ship. (bbls.)	3,156,000	2,951,000	+ 6.9	3,889,000	— 18.8
Coal, anth. and bit., ind. cons. (tons)	29,882,000	24,853,000	+ 20.2	29,969,000	— 0.3
Cotton cons. (bales)	516,649	480,339	+ 7.6	591,309	— 12.6
Gasoline cons. (bbls.)	27,401,000	26,432,000	+ 3.7	32,553,000	— 15.8
Lead, refined (tons)	33,086	32,523	+ 1.7	34,590	— 4.3
Malleable castings (tons)	39,220	37,650	+ 4.2	43,587	— 10.0

SHIPMENTS AND CONSUMPTION (Continued)

	Feb., 1936	Feb., 1935	Ch'ge P. Ct.	Jan., 1936	Ch'ge P. Ct.
Newsprint, U. S. & Canada (tons)	276,571	230,197	+ 20.1	255,529	+ 8.2
Oil-burners (no.)	7,095	4,610	+ 53.9	7,436	— 4.6
Paints & var., sales ($)	20,154,271	21,229,132	— 5.1	23,913,980	— 15.7
Petroleum, crude, runs-to-stills (bbls.)	81,523,000	70,817,000	+ 15.1	85,776,000	— 5.0
Pneumatic casings§	3,874,764	3,662,615	+ 5.8	4,153,807	— 6.7
Range boilers (no.)	62,306	57,362	+ 8.6	77,344	— 19.4
Rubber, gr., cons. (tons)	36,746	43,187	— 14.9	48,506	— 24.2
Steel barrels	508,974	402,928	+ 26.3	535,370	— 4.9
Steel sheets, ship. (short tons)	175,702	201,054	— 12.6	207,437	— 15.3
Sulph. acid, cons. (tons)	117,864	133,319	— 11.6	125,730	— 6.3
Waste paper (consump.). (tons)	226,216	211,560	+ 6.9	229,064	— 1.2
Wool consump., scoured basis (lbs.)	33,300,000	25,300,000	+ 31.6	32,600,000	+ 2.1

§ January and corresponding months.

STOCKS ON HAND AT END OF MONTH

	Mar., 1936	Mar., 1935	Ch'ge P. Ct.	Feb., 1936	Ch'ge P. Ct.
Silk, raw (bales)	53,689	36,583	+ 46.8	64,680	— 17.0
Tin, world's visible supply (long tons)	16,074	19,416	— 17.2	15,607	+ 3.0
Zinc (tons)	79,841	111,806	— 28.6	75,517	+ 5.7

	Feb., 1936	Feb., 1935	Ch'ge P. Ct.	Jan., 1936	Ch'ge P. Ct.
Cement (bbls.)	22,985,000	21,899,000	+ 5.0	22,686,000	+ 1.3
Coal, anth. and bit., ind. stocks (tons)	27,851,000	30,754,000	— 9.4	31,077,000	— 10.4
Coke, by-product (tons)	1,273,814	2,860,186	— 55.5	2,110,216	— 39.7
Cotton, ex. lint. (bales)					
In mfg. plants	1,404,476	1,161,075	+ 20.9	1,434,992	— 2.1
In warehouses	7,247,803	8,354,790	— 13.3	7,844,295	— 7.6
Gasoline at ref. (bbls.)	44,612,000	38,548,000	+ 15.7	36,158,000	+ 23.4
Lead, refined (tons)	225,010	224,638	+ 0.2	224,013	+ 0.4
Newsprint, U. S. & Canada (tons)	108,114	89,423	+ 20.9	90,852	+ 19.0
Oil-burners (no.)	14,057	13,436	+ 4.6	13,437	+ 4.6
Petroleum, crude, excl. Calif. (bbls.)	263,436,000	292,776,000	— 10.0	265,195,000	— 0.7
Porcelain plumbing fixtures (pieces)	8,595	9,960	— 13.7	7,836	+ 9.6
Pneumatic casings§	8,918,177	10,397,667	— 14.2	8,195,863	+ 8.8
Range Boilers (no.)	41,042	30,375	+ 35.1	37,690	+ 8.9
Rubber, on hand & afloat to U. S. (long tons)	319,816	382,304	— 16.3	320,242	— 0.1
Steel barrels	36,391	30,613	+ 18.9	33,090	+ 10.0
Steel sheets (sh. tons)	168,572	108,788	+ 55.0	152,283	+ 10.7
Sulphuric acid (tons)	93,724	111,022	— 15.6	88,356	+ 6.1
Waste paper (tons)	233,902	253,795	— 7.8	255,777	— 8.6

§ January and corresponding months.

GOVERNMENT STATISTICS

	Feb. 29, 1936	Feb. 28, 1935	Jan. 31, 1936
Money in circul., U. S. ($)	5,845,959,668	5,466,702,738	5,737,070,747
Population	127,670,000	126,923,000	127,608,000
Per capita ($)	45.79	43.07	44.96
Gen. stock money, U. S. ($)	16,641,219,358	14,480,250,567	16,625,873,303
	Mar. 31, 1936	Mar. 31, 1935	Feb. 29, 1936
Debt, gross, U. S. ($)	31,459,140,278	28,817,458,098	30,519,660,950
United States:	Mar., 1936	Mar., 1935	Feb., 1936
Receipts, ordinary ($)	751,698,138	600,748,099	218,307,313
Expenditures, ord. ($)	364,473,578	262,831,885	203,459,492
Expenditures, emerg. ($)	213,950,389	287,691,949	300,833,372

MONTHLY INDEX NUMBERS

EMPLOYMENT—PAY ROLLS—PRODUCTION

(1923-1925 = 100)

	Feb., 1936	Jan., 1936	Dec., 1935	Feb., 1935
Employment (Factory) (BLS)	83.3	83.0	84.6	81.4
Pay Rolls (Factory) (BLS)	72.3	72.2	76.6	69.1
Production, Ind. (FRB) adj.	95.0	98.0	104.0	89.0

PRICE INDEX NUMBERS (WHOLESALE)

	Base Year	Apr. 1, 1936	Mar. 1, 1936	Feb. 1, 1936	Same month 1935
DUN'S		$173.649	$179.601	$179.045	$172.461
BRADSTREET'S		$9.8541	$9.9196	$10.0204	$9.6643
U. S. Bureau of Labor ‡	1926		80.6	80.6	79.5
Annalist ‡	1913	124.9	126.4	128.3	123.5
Canada (Dom. Bureau) ‡	1926	72.4	72.5	72.9	72.0

		Feb., 1936	Jan., 1936	Dec., 1935	Same month 1935
U. K. (Board of Trade)	1930	91.7	91.8	91.4	88.0
U. K. (Economist)	1913	97.4	98.1	98.3	91.3
U. K. (Statist)	1913	102.0	102.0	102.0	98.1
France (Stat. Gen.)	1913	376	359	354	343
Germany (Official)	1913	103.8	103.8	103.7	100.9
Belgium	1914	582	581	578	466
Denmark (Official)	1913	139	139	139	135
Norway	1913	132	131	131	125
Sweden	1913		118	118	115
Holland	1929	62.2	62.6	62.7	61.8
Japan (Oriental Economist)	1913	179.5	180.4	180.0	176.8
China (Shanghai)	1926	105.0	104.7	103.5	99.4

‡ Average over previous month.

MARCH MOVEMENT OF TEXTILES SLOWER

by C. S. WOOLSLEY

SALES of cotton gray goods in March were restricted, for the most part, to spot and quick deliveries. Buyers, still worried over the Government's tax program, began to lose confidence because of high production and the possibility of price weakness. Prices eased off somewhat during the month, notably in the print cloth division. Announcement of the intention of the Government to dispose of a million or more bales of cotton at the end of the month also served to depress prices on standard constructions.

Spot demand for certain types of fine cotton goods was quite brisk at times, with the result that buyers on several occasions were forced to pay premiums for quick deliveries of wanted makes. These included piques, dimities and one or two of the combed lawn styles. Print cloths suitable for plisse finish were active and strong.

Heavy Goods More Active

Industrial and mechanical cloths were in active demand, so much so that the continued high rate of consumption of cotton in domestic mills is attributed to increased production of heavy colored goods for use in industrial plants and for work and utility clothing rather than to continued heavy output of the standard lightweight cloths.

Some price reductions were made on standard finished goods in March. Woven ticking prices were easier, with quotations declining to 16c. for 8-ounce, while printed tickings were quiet and unchanged at 8c. for 5.50-yard. Denim prices were marked down to 13c. and chambrays were traded at 8¾c. to 9c. for quantity business on the basis of 3.90-yard. Prices of cotton bed sheets were on the basis of 20 to 22½ per cent off on unbranded lines of 64x60s and 68x72s.

Most cotton sheet mills at the end of the month were well sold ahead on the basis of current curtailed production. Demand for cotton clothing linings was restricted to small orders which amounted to considerable business in the aggregate. Percale quotations were on the basis of 11¾c. for 80 squares, flat fold, with new Fall offerings due early in April. Because of the damage inflicted by floods on finishing plants, it was thought that presentation of new Fall lines would be delayed one to two weeks.

Burlap Stocks Increased

Cotton towels sold in moderate volume and prices continued strong. Mills making Fall cotton shirtings booked considerable contract business at prices somewhat better than when the cotton tax was included. Cretonnes were quiet at 8c. for 5.50-yard and monks cloth sold at slightly lower prices. Buyers came into receipt of new prices on overalls that showed reductions of 25c. to 37½c. a dozen on boys' sizes and 50c. to 62½c. a dozen on men's sizes.

Demand for curtains showed some improvement, but sales were not large. New lines of curtains for Fall will be opened on May 15. Drapery cloths sold in moderate volume. Furniture manufacturers and automobile factories continued to absorb large quantities of cotton, mohair, and wool upholstery cloths.

Stocks of burlap in the hands of Calcutta mills at the end of March stood at 63,000,000 yards, as compared with 62,360,000 yards at the end of February. The lack of significant change in the stock position indicated that, despite the failure of users throughout the world to cover heavily against forward needs, the off-take against current needs was equal to the old production schedules.

Stocks of sackings dropped to 98,100,000 yards, against 107,000,000 yards at the end of February. It is probable, assuming that no new agreement on production becomes effective during the month, that stocks at the end of April will stand close to 80,000,000 yards. Such a stock would not be burdensome; in fact, it would be lower than at the end of April, 1935, but it would, nevertheless, be likely to force some price declines.

Rayon Movement Steady

The feature of the month in the rayon market was the improved demand for acetate yarn. Not only were the fine deniers sought for taffetas but mills bought heavier numbers for the popular sharkskin constructions. After a period of limited sales, demand during the month reached a stage where it practically equalled production. Pigment viscose yarns were the biggest selling numbers, but demand was not so large as in the previous month. With mills busy preparing Fall lines, demand for heavier denier viscose yarns to be used in cantons was more active.

Cuprammonium yarns continued to move in good volume. The demand for spot and nearby viscose yarns, which developed suddenly toward the end of the month, was attributed to the closing down of the Viscose Co.'s Lewiston plant by the flood. There is little likelihood that operations will be resumed until the end of

May and that Summer will be well advanced before the plant is fully in production again.

While rayon weaving mills suffered less actual damage from the flood than did some other plants, a number were forced to close down because of the lack of electric power. Market estimates placed the curtailment of rayon weaving due to the floods at approximately one normal week's output of cloth.

Silk Sales Disappointing

Silk consumption in March amounted to 36,000 bales, as compared with 32,000 bales in the previous month. Most men in the trade were disappointed, as estimates averaged around 38,000 bales. The first half of the month was unusually dull, largely because of adverse weather conditions.

In the final two weeks, however, with roads opened up and shopping conditions more ideal, a definite expansion marked demand at retail outlets. Hosiery mills did the bulk of the buying. At no time, however, was there a sustained demand. Business done in broad silks during March reduced stocks considerably, but prices were unremunerative. It is felt that the newer Summer lines, which are moving at the present time, will prove somewhat more profitable.

Woolen Demand Lighter

Trading in wool goods was uneven. The brisk demand for men's wear fabrics that began in the middle of January and extended throughout the next month subsided in March, but left mills with a backlog of approximately 42,000,000 linear yards, or the equivalent of 13 weeks' production at the present rate of operations. Women's wear fabrics moved in heavy volume during the month, as garment manufacturers rushed to complete orders for the Easter retail selling season.

Production during the month was reduced sharply, when floods in the northeastern States forced the largest units in the industry to suspend operations. Many mills were damaged, while others were forced by high water to delay deliveries. Wool prices during the month receded slightly, as dealers marked down prices on fleeces.

With the new clip being shorn and some of it on its way to Eastern markets, the trade looks for some recessions during April. Prices on wool for the last two months were based on abnormal conditions brought about by light supplies and the necessity for drawing on foreign stocks.

Consumption of wool during February averaged 6,122,000 pounds, greasy basis, weekly, but March consumption is expected to fall considerably below that figure. Worsted yarn prices softened and dealers reduced quotations on an average of 2½c. to 5c. a pound.

Dry Goods Orders Gained

Demand for floor coverings was slow, but prices remained firm throughout. With retailers concentrating promotions on apparel for Spring wear, furnishings were neglected. The trade expects a pick up in sales after Easter, when stores will begin to feature Summer rugs.

Knit goods markets were uneven. Cotton underwear sold only in fair volume. Buying by chain and department stores for Fall was disappointing. Hosiery markets generally were dull. Large sales of sweat shirts marked activity in the knit outerwear trade.

Dry goods wholesalers during the month did a brisk business, a number reporting sales 20 to 30 per cent ahead of a year ago. Unable to reach the large centers because of adverse weather, retailers in most sections of the country drew on jobbers' stocks. Most jobbers expected this improvement to continue through the months of April and May.

DAILY SPOT MIDDLING COTTON PRICES AT LEADING CENTERS DURING MARCH, 1936

(Cents Per Pound)

	Mon. Mar. 2	Tues. Mar. 3	Wed. Mar. 4	Thurs. Mar. 5	Fri. Mar. 6	Sat. Mar. 7	Mon. Mar. 9	Tues. Mar. 10	Wed. Mar. 11	Thurs. Mar. 12	Fri. Mar. 13	Sat. Mar. 14	Mon. Mar. 16
New Orleans	11.22	11.09	11.09	11.21	11.25	11.33	11.30	11.34	11.42	11.47	11.43	11.40	11.43
New York	11.28	11.23	11.20	11.24	11.30	11.32	11.32	11.35	11.41	11.46	11.38	11.36	11.41
Savannah	11.27	11.19	11.16	11.22	11.26	11.34	11.34	11.38	11.46	11.46	11.37	11.44	11.46
Galveston	*	11.09	11.06	11.12	11.12	11.19	11.19	11.23	11.32	11.32	11.23	11.30	11.31
Memphis	11.25	11.20	11.15	11.20	11.25	11.35	11.35	11.35	11.45	11.30	11.20	11.30	11.30
Norfolk	11.50	11.40	11.35	11.40	11.45	11.55	11.55	11.55	11.65	11.65	11.55	11.65	11.65
Augusta	11.46	11.39	11.35	11.41	11.46	11.54	11.53	11.57	11.66	11.66	11.57	11.64	11.65
Houston	*	11.08	11.05	11.11	11.16	11.24	11.24	11.28	11.36	11.36	11.27	11.35	11.35
Little Rock	11.17	11.09	11.06	11.12	11.16	11.24	11.23	11.28	11.36	11.36	11.27	11.19	11.21
Fort Worth	*	10.69	10.65	10.71	10.76	10.84	10.83	10.87	10.96	10.96	10.87	10.94	10.95
Dallas	*	10.69	10.65	10.70	10.76	10.84	10.83	10.87	10.96	10.96	10.87	10.94	10.95

	Tues. Mar. 17	Wed. Mar. 18	Thurs. Mar. 19	Fri. Mar. 20	Sat. Mar. 21	Mon. Mar. 23	Tues. Mar. 24	Wed. Mar. 25	Thurs. Mar. 26	Fri. Mar. 27	Sat. Mar. 28	Mon. Mar. 30	Tues. Mar. 31
New Orleans	11.42	11.40	11.42	11.50	11.57	11.53	11.53	11.60	11.68	11.77	11.80	11.80	11.84
New York	11.43	11.45	11.44	11.43	11.46	11.46	11.48	11.47	11.51	11.64	11.70	11.69	11.72
Savannah	11.44	11.44	11.47	11.50	11.55	11.54	11.54	11.57	11.62	11.75	*	11.79	11.83
Galveston	11.31	11.31	11.34	11.37	11.42	11.39	11.39	11.42	11.47	11.57	11.62	11.58	11.63
Memphis	11.30	11.30	11.30	11.35	11.40	11.40	11.40	11.40	11.45	11.60	11.65	11.65	11.55
Norfolk	11.65	11.65	11.65	11.70	11.75	11.75	11.75	11.75	11.80	11.95	12.00	11.90	12.00
Augusta	11.65	11.64	11.67	11.70	11.75	11.74	11.74	11.77	11.82	11.94	12.00	11.99	12.03
Houston	11.35	11.35	11.38	11.40	11.45	11.45	11.45	11.45	11.50	11.63	11.68	11.68	11.73
Little Rock	11.20	11.19	11.22	11.25	11.30	11.29	11.29	11.32	11.37	11.50	11.55	11.54	11.58
Fort Worth	10.95	10.94	10.92	10.95	10.99	10.98	10.98	11.01	11.03	11.15	11.21	11.20	11.24
Dallas	10.95	10.94	10.92	10.95	10.99	10.98	10.98	11.01	11.03	11.15	11.21	11.20	11.24

* Holiday

INTERNATIONAL MONEY MARKETS

FOREIGN exchange markets reflected, during March, an uncertainty regarding the monetary policies of leading nations and an anxiety with respect to political developments that now has become chronic. Politically, Europe was in turmoil, as a consequence of the German military occupation on March 7 of the demilitarized Rhineland zone. Added to this circumstance was a specific apprehension in financial circles regarding French developments. The result was a rapid and almost continuous strengthening of the United States dollar in the markets.

The capital flight from Europe which developed was merely a resumption of a movement that has been in progress, intermittently, for several years. Floods of gold have poured in to this country from time to time, as a consequence of the flight of nervous funds, and the last previous movement only came to an end in January, when inflationary sentiment was voiced in Congress and the Presidential veto of the soldiers' bonus measure was overridden by large majorities in both the Senate and the House.

Not for long did the dollar remain weak in the foreign exchange markets, however. Predictions that gold movements from New York to Paris, which started in February, would assume large proportions soon were disclosed as baseless, or at least premature. The flow of funds to European centers was reversed sharply on March 7, when troops marched into the zone which Britain, France, Germany, Belgium and Italy, as the Locarno powers, had guaranteed would remain free of soldiers.

Most Foreign Units Weak

Foreign exchanges tumbled in New York on that incident, and much subsequent confusion in European diplomatic circles tended to stimulate the trend. Sterling dropped from its previous level of about $5 and hovered at the end of March around the $4.95 figure. French francs were even weaker, for that currency dipped from the upper gold point, at which shipments of the metal from New York to Paris were profitable, to the lower gold point, at which arrangements were made for some modest transfers of gold from Paris to New York. Most other foreign units also were weak, since all but a few currencies are influenced directly by the trends of sterling and francs.

Pressure against the French franc was increased particularly after the budgetary difficulties of that country again were emphasized on March 21. In the closing session of the Parliament, the French Treasury was authorized to increase to 21,000,000,000 francs from 15,000,000,000 francs the limit of borrowing on short term Treasury bills.

This limit has been expanded steadily in recent years, and when the further addition was made it was considered a danger signal in some circles, the more so since France now faces a general election. Funds began to move out of France in volume, and it was found necessary to raise the Bank of France discount rate on March 21 to 5 per cent from 3½ per cent. Finance Minister Marcel Regnier stated categorically, however, that no change in the gold value of the franc is contemplated by the Sarraut Ministry, and greater calm prevailed thereafter.

Also of keen interest to the markets was a disclosure by the Bank of Italy that the war with Ethiopa and the sanctions against Italy by League of Nations member States have curtailed sharply the gold resources of that institution. Since October 20, 1935, no financial information has been made available, as a decree by the Italian dictator prohibited publication of the usual reports.

In its annual report the Bank of Italy disclosed that its gold

GOLD RESERVES OF CENTRAL BANKS

(Figures are in millions of dollars; the valuation ratio is: One ounce = $35.00)

End of	England	France	Holland	Switzerland	Japan	Italy	Russia	Germany	United States
1914.....	721	1,375	...	...	108	455	1,509	843	2,042
1920.....	1,277	1,160	433	178	941	345	...	440	4,150
1925.....	1,177	1,204	301	152	975	371	159	488	6,748
1930.....	1,216	3,556	290	234	698	472	422	894	7,154
1931.....	996	4,570	605	767	396	501	555	396	6,859
1932.....	987	5,510	703	808	359	520	623	325	6,848
1933.....	1,572	5,112	627	653	359	632	704	156	6,793
1934.....	1,584	5,445	573	624	394	518	744	32	8,238
1935									
Jan.	1,586	5,438	555	600	395	519	744	32	8,391
Feb.	1,586	5,439	552	586	397	519	744	32	8,527
Mar.	1,586	5,479	553	560	398	519	748	33	8,567
Apr.	1,587	5,366	439	446	400	519	748	33	8,710
May	1,587	4,759	440	390	403	519	748	33	8,858
June	1,588	4,708	427	391	407	498	748	35	9,116
July	1,588	4,726	380	421	410	468	748	38	9,144
Aug.	1,593	4,756	402	446	413	419	748	38	9,203
Sept.	1,595	4,770	365	448	416	379	839	38	9,368
Oct.	1,604	4,773	401	453	418	351	839	35	9,693
Nov.	1,628	4,388	427	455	422	351	839	36	9,920
Dec.	1,648	4,395	438	454	425	351	839	33	10,125
1936									
Jan.	1,652	4,324	455	454	428	351	839	31	10,182
Feb.	1,653	4,362	463	472	...	...	...	29	10,166

reserves totalled 3,027,200,000 lire on December 31, 1935, as against 3,936,000,000 on October 20, when the last figures were made available. This drop of $81,000,000, from $350,000,000 to $269,000,000, confirmed the general impression that Italy has been losing gold rapidly, as a result of the Ethiopian adventure. The lira market is closely controlled now by the Italian authorities.

Monetary developments within the United States were much in accord with preceding incidents. Gold stocks were increased slightly by imports and domestic production, but such changes were relatively small. Money rates were quite unchanged in all departments of the market, and the only activity of note was incident to the March quarter-date financing of the United States Treasury and the large income tax payments of the same period.

The Treasury raised an aggregate of $905,000,000 in strictly new money on March 15, through sale of 2¾ per cent bonds, due in fifteen years, and callable in twelve years, and 1½ per cent notes, due in five years. This, together with heavy income tax payments, raised the Treasury general account balance with the Federal Reserve Banks to $1,146,565,000 by March 25, or to about $1,000,000,000 more than was commonly held in that account before last December.

Member bank reserve balances were down just as much, and excess reserves over legal requirements fell to $2,310,000,000 on March 25, or precisely $1,000,000,000 under the record high level of December 11, 1935. There was less talk than formerly, in these circumstances, regarding the dangers of credit inflation.

DAILY CLOSING QUOTATIONS OF FOREIGN EXCHANGE (BANKERS' BILLS) IN THE NEW YORK MARKET DURING MARCH, 1936

Country and Par	Mon. Mar. 2	Tues. Mar. 3	Wed. Mar. 4	Thurs. Mar. 5	Fri. Mar. 6	Sat. Mar. 7	Mon. Mar. 9	Tues. Mar. 10	Wed. Mar. 11	Thurs. Mar. 12	Fri. Mar. 13	Sat. Mar. 14	Mon. Mar. 16
England, checks (Pound $8.2397)	4.99⅛	4.99⅜	4.99⅛	4.99⅛	4.99⅛	4.98¾	4.98⅛	4.98⅝	4.97⅞	4.97⅛	4.96⅞	4.98	4.97⅝
England, cables (Pound $8.2397)	4.99⅛	4.99⅜	4.99⅛	4.99⅛	4.99⅛	4.98¾	4.98⅛	4.98⅝	4.97⅞	4.97⅛	4.96⅞	4.98	4.97⅝
France, checks (Franc 6.6335c.)	6.68¼	6.66¾	6.66⅝	6.66½	6.67⅛	6.64½	6.64⅜	6.65½	6.64½	6.63¾	6.63	6.64⅜	6.64¼
France, cables (Franc 6.6335c.)	6.68½	6.66½	6.66⅞	6.66⅜	6.67⅜	6.64¾	6.64⅝	6.65¾	6.64¾	6.64	6.63¼	6.64⅝	6.64½
Germany, checks (Mark 40.33c.)	40.67	40.63	40.64	40.65	40.66	40.58	40.46	40.51	40.48	40.48	40.43	40.50	40.48
Germany, cables (Mark 40.33c.)	40.69	40.65	40.66	40.67	40.68	40.60	40.48	40.53	40.55	40.50	40.45	40.52	40.50
Belgium, checks (Belga 16.95c.)	17.06	17.03½	17.05	17.06½	17.05½	17.03	17.00½	17.02	16.99½	16.98	16.96	16.99	16.99
Belgium, cables (Belga 16.95c.)	17.06½	17.04	17.05½	17.07	17.06	17.03½	17.01	17.02½	17.00	16.98½	16.96½	16.99½	16.99½
Holland, checks (Guilder 68.056c.)	68.71⅛	68.66	68.69	68.70	68.71	68.53	68.49	68.60	68.50	68.41	68.34	68.48	68.45
Holland, cables (Guilder 68.056c.)	68.75⅛	68.70	68.73	68.74	68.75	68.57	68.53	68.64	68.54	68.45	68.38	68.52	68.49
Czechoslovakia, checks (Crown 4.18c.)	4.19⅛	4.18½	4.18½	4.18½	4.18¾	4.17½	4.17¼	4.17⅜	4.17⅜	4.17	4.16¼	4.17¼	4.17
Czechoslovakia, cables (Crown 4.18c.)	4.19¾	4.18¾	4.18¾	4.18¾	4.19	4.17¾	4.17½	4.18⅛	4.17⅝	4.17¼	4.16½	4.17½	4.17¼
Switzerland, checks (Franc 32.67c.)	33.08	33.02	33.01	33.00½	33.02½	32.91½	32.88½	32.93½	32.89½	32.85	32.82½	32.88½	32.87½
Switzerland, cables (Franc 32.67c.)	33.08½	33.02½	33.01½	33.01	33.03	32.92	32.89	32.94	32.90	32.85½	32.83	32.89	32.88
Italy, checks (Lira 8.911c.)	8.04⅜	8.03¾	8.03¾	8.03¾	8.03⅜	8.02¾	8.01⅜	8.01¾	8.01¾	8.00¾	7.99¾	7.99¾	7.99¾
Italy, cables (Lira 8.911c.)	8.05	8.04	8.04	8.04	8.04	8.03	8.02	8.02	8.02	8.01	8.00	8.00	8.00
Spain, checks (Peseta 32.67c.)	13.84½	13.81	13.81	13.81	13.82	13.77	13.75½	13.78½	13.76½	13.75	13.73½	13.76½	13.76
Spain, cables (Peseta 32.67c.)	13.85½	13.82	13.82	13.82	13.83	13.78	13.76½	13.79½	13.77½	13.76	13.74½	13.77½	13.77
Portugal, checks (Escudo 7.483c.)	4.56	4.56	4.56	4.56	4.56	4.55½	4.55½	4.55½	4.55	4.54½	4.54	4.54	4.54½
Portugal, cables (Escudo 7.483c.)	4.56	4.56	4.56	4.56	4.56	4.55½	4.55½	4.55½	4.55	4.54½	4.54	4.54	4.54½
Denmark, checks (Krone 45.374c.)	22.29	22.28	22.27	22.27	22.27	22.25½	22.23	22.24½	22.22	22.19	22.17½	22.22½	22.20½
Denmark, cables (Krone 45.374c.)	22.30	22.29	22.28	22.28	22.28	22.26½	22.24	22.25½	22.23	22.20	22.18½	22.23½	22.21½
Sweden, checks (Krona 45.374c.)	25.74½	25.73½	25.72	25.72½	25.72½	25.71	25.67	25.69	25.66	25.63	25.61	25.67	25.64½
Sweden, cables (Krona 45.374c.)	25.75½	25.74½	25.73	25.73½	25.73½	25.72	25.68	25.70	25.67	25.64	25.62	25.68	25.65½
Norway, checks (Krone 45.374c.)	25.09	25.08	25.07	25.07	25.07	25.05½	25.02	25.04	25.01	24.98	24.96	25.01½	24.99½
Norway, cables (Krone 45.374c.)	25.10	25.09	25.08	25.08	25.08	25.06½	25.03	25.05	25.02	24.99	24.97	25.02½	25.00½
Greece, checks (Drachma 2.197c.)	.94¾	.95	.95	.95⅛	.95⅛	.94⅞	.94¾	.94⅞	.94⅞	.94½	.94½	.94⅜	.94⅜
Greece, cables (Drachma 2.197c.)	.95	.95¼	.95¼	.95⅜	.95⅜	.95	.95	.95⅛	.95⅛	.94¾	.94¾	.95	.95
Australia, checks (Pound $8.2397)	3.99⅜	3.99⅛	3.99	3.99	3.99	3.98¾	3.98⅛	3.98⅝	3.98⅛	3.97¾	3.97⅛	3.98	3.97⅞
Australia, cables (Pound $8.2397)	3.99⅝	3.99⅜	3.99¼	3.99¼	3.99¼	3.99	3.98⅜	3.98⅞	3.98⅜	3.98	3.97⅜	3.98¼	3.98⅛
Montreal, demand (Dollar $1.6931)	100.13	100.09	100.06	100.06	100.06	100.03	100.00	100.00	100.00	100.00	100.03	100.03	100.00
Argentina, demand (Paper peso 71.87c.)	33.30	33.27	33.27	33.27	33.26	33.26	33.20	33.24	33.20	33.17	33.14	33.14	33.17
Brazil, demand (Paper milreis 20.25c.)	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59
Chile, demand (Gold peso 5.19c.)	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15
*Mexico, demand (Silver peso 34.398c.)	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80
§Uruguay, demand (Gold peso $1.751)	48.00	48.00	48.00	48.00	48.00	48.00	47.50	47.75	48.00	48.25	48.25	48.25	48.25

Country and Par	Tues. Mar. 17	Wed. Mar. 18	Thurs. Mar. 19	Fri. Mar. 20	Sat. Mar. 21	Mon. Mar. 23	Tues. Mar. 24	Wed. Mar. 25	Thurs. Mar. 26	Fri. Mar. 27	Sat. Mar. 28	Mon. Mar. 30	Tues. Mar. 31
England, checks (Pound $8.2397)	4.97⅝	4.97¼	4.97⅛	4.96⅜	4.96⅛	4.96⅛	4.96¼	4.96¼	4.95¾	4.94¾	4.94⅝	4.95⅛	4.95⅜
England, cables (Pound $8.2397)	4.97⅝	4.97¼	4.97⅛	4.96⅜	4.96⅛	4.96⅛	4.96¼	4.96¼	4.95¾	4.94¾	4.94⅝	4.95⅛	4.95⅜
France, checks (Franc 6.6335c.)	6.64¼	6.63⅞	6.63½	6.62	6.61⅝	6.61⅜	6.61¾	6.61½	6.60¾	6.58¾	6.58⅜	6.58⅝	6.59⅛
France, cables (Franc 6.6335c.)	6.64½	6.64⅛	6.63⅝	6.62¼	6.61⅞	6.61⅝	6.62	6.61¾	6.61	6.59	6.58⅝	6.59	6.59⅜
Germany, checks (Mark 40.33c.)	40.48	40.49	40.49	40.47	40.43	40.36	40.38	40.36	40.31½	40.21	40.08	40.06	40.18
Germany, cables (Mark 40.33c.)	40.50	40.51	40.51	40.49	40.45	40.38	40.40	40.38	40.32	40.23	40.10	40.08	40.20
Belgium, checks (Belga 16.95c.)	16.98½	16.98½	16.96½	16.94½	16.93½	16.93½	16.96½	16.96½	16.96	16.92½	16.89½	16.91½	16.92
Belgium, cables (Belga 16.95c.)	16.99	16.99	16.97	16.95	16.94	16.94	16.97	16.97	16.96½	16.93	16.90	16.92	16.92½
Holland, checks (Guilder 68.056c.)	68.44	68.42	68.36	68.22	68.20	68.17	68.21	68.17	68.09	67.87	67.64	67.68	67.88
Holland, cables (Guilder 68.056c.)	68.48	68.46	68.40	68.26	68.24	68.21	68.25	68.21	68.13	67.91	67.68	67.72	67.92
Czechoslovakia, checks (Crown 4.18c.)	4.17	4.16¾	4.16¼	4.15½	4.15¼	4.15¼	4.15½	4.15¼	4.14¾	4.13½	4.13¼	4.13½	4.13¾
Czechoslovakia, cables (Crown 4.18c.)	4.17¼	4.17	4.16½	4.15¾	4.15½	4.15½	4.15¾	4.15½	4.15	4.13¾	4.13½	4.13¾	4.14
Switzerland, checks (Franc 32.67c.)	32.85½	32.84½	32.80½	32.76½	32.74½	32.73½	32.75	32.74	32.71	32.61½	32.59	32.52½	32.57½
Switzerland, cables (Franc 32.67c.)	32.86	32.85	32.81	32.77	32.75	32.74	32.75½	32.74½	32.71½	32.62	32.59½	32.53	32.58
Italy, checks (Lira 8.911c.)	7.99¾	7.99¾	7.99¾	7.99¾	7.99¾	7.98¾	7.97⅜	7.97¾	7.96¼	7.94¾	7.93⅜	7.93¾	7.93¾
Italy, cables (Lira 8.911c.)	8.00	8.00	8.00	8.00	8.00	7.99	7.98	7.98	7.96½	7.95	7.94	7.94	7.94
Spain, checks (Peseta 32.67c.)	13.76	13.75½	13.74	13.71½	13.71	13.70	13.71	13.70½	13.69	13.65	13.64	13.64½	13.66
Spain, cables (Peseta 32.67c.)	13.77	13.76½	13.75	13.72½	13.72	13.71	13.72	13.71½	13.70	13.66	13.65	13.65½	13.67
Portugal, checks (Escudo 7.483c.)	4.54½	4.54½	4.54	4.53½	4.53	4.53	4.53	4.53	4.53	4.52	4.51½	4.52	4.52
Portugal, cables (Escudo 7.483c.)	4.54½	4.54½	4.54	4.53½	4.53	4.53	4.53	4.53	4.53	4.52	4.51½	4.52	4.52
Denmark, checks (Krone 45.374c.)	22.20	22.19	22.19	22.15	22.14	22.13½	22.15	22.15½	22.13	22.08	22.08	22.09	22.11
Denmark, cables (Krone 45.374c.)	22.21	22.20	22.20	22.16	22.15	22.14½	22.16	22.16½	22.14	22.09	22.09	22.10	22.12
Sweden, checks (Krona 45.374c.)	25.63½	25.63	25.63	25.58	25.57	25.56½	25.58	25.58	25.56	25.50	25.49	25.52	25.54
Sweden, cables (Krona 45.374c.)	25.64½	25.64	25.64	25.59	25.58	25.57½	25.59	25.59	25.57	25.51	25.50	25.53	25.55
Norway, checks (Krone 45.374c.)	24.98½	24.98	24.98	24.93	24.92	24.91½	24.93	24.93	24.91	24.85	24.84½	24.87	24.89
Norway, cables (Krone 45.374c.)	24.99½	24.99	24.99	24.94	24.93	24.92½	24.94	24.94	24.92	24.86	24.85½	24.88	24.90
Greece, checks (Drachma 2.197c.)	.94¾	.94½	.94½	.94⅜	.94⅜	.94¼	.94⅜	.94¼	.94¼	.94	.93⅞	.94	.94
Greece, cables (Drachma 2.197c.)	.95	.94¾	.94¾	.94⅝	.94⅝	.94½	.94⅝	.94½	.94½	.94¼	.94⅛	.94¼	.94¼
Australia, checks (Pound $8.2397)	3.97⅝	3.97⅝	3.97⅜	3.96⅜	3.96⅝	3.96⅝	3.96⅝	3.96⅝	3.96⅜	3.95⅝	3.95⅜	3.95¾	3.96
Australia, cables (Pound $8.2397)	3.97⅞	3.97⅞	3.97⅝	3.97	3.96⅞	3.96⅝	3.96⅞	3.96⅞	3.96⅝	3.95⅞	3.95⅝	3.96	3.96¼
Montreal, demand (Dollar $1.6931)	99.97	99.91	99.94	99.81	99.69	99.78	99.78	99.78	99.72	99.78	99.47	99.53	99.44
Argentina, demand (Paper peso 71.87c.)	33.14	33.14	33.14	33.07	33.07	33.07	33.10	33.07	33.07	33.07	33.07	33.00	33.03
Brazil, demand (Paper milreis 20.25c.)	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59	8.59
Chile, demand (Gold peso 5.19c.)	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15	5.15
*Mexico, demand (Silver peso 34.398c.)	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80	27.80
§Uruguay, demand (Gold peso $1.751)	48.25	48.25	48.25	48.25	48.25	47.50	47.50	47.00	47.00	47.00	47.00	47.00	46.75

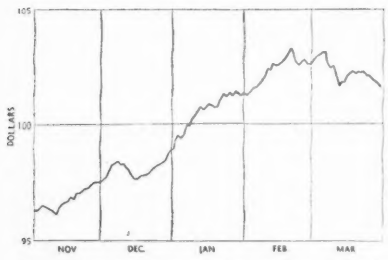
* Nominal quotations. § Free.

RISE IN STOCK PRICES IN PROGRESS ONE YEAR

by GEORGE RAMBLES

SMALL net increases in stock prices were the rule during March, despite wide fluctuations and periods of great unsettlement. Buying of shares was steady in the calmer sessions on the New York Stock Exchange, and the gains thus registered overshadowed the occasional sharp recessions that followed the German move into the demilitarized Rhineland zone, and the devastating floods that swept twelve of the Eastern States.

BOND PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal."

While bond dealings were smaller than in March, 1935, Government issues moved to new all-time highs, and better-grade corporate bonds improved.

Prominent compilations of average stock prices reflected only minor gains for the month, and the increasing cautiousness of traders was reflected by a reduction in trading volume from the preceding month. The movement meant, however, that the bull market was continued, and on March 17 it was noted that the upswing had been in progress for just one year. The period of advancing quotations thus assumes the scope of a genuine major movement, and if past performances are any guide it means that further gains in business are thus foreshadowed.

Price advances were impressive in the first week of March, notwithstanding the disconcerting disclosure by the Administration in Washington that legislation would be introduced for a tax on corporate surpluses, and sizable gains in all groups resulted.

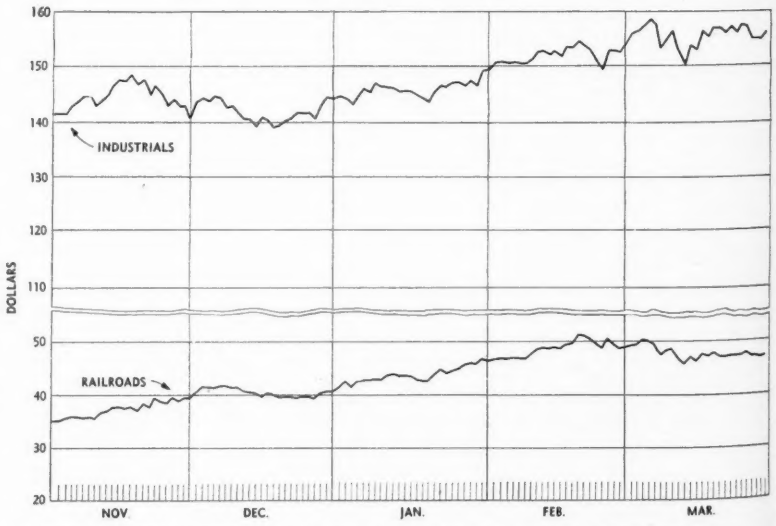
The market entered upon a period of pronounced unsettlement on March 7. When it appeared, after a week, that the Rhineland incident would be adjusted diplomatically and without resort to hostilities, buying of stocks was resumed. It was modified materially, however, by the flood news from a dozen States in the northeastern part of the country. This influence failed to prevent some measure of recovery in the general level, and modest improvement was the rule toward the end of March.

There was much unevenness, so far as the various groups of issues are concerned. Steel stocks were in good demand at most times, owing to continued increases in manufacturing operations. A number of high-priced specialty stocks moved ahead easily, and the airplane group also did well. Railroad stocks were lower, partly because of the Interstate Commerce Commission ruling for sharp reductions in passenger fare rates.

Listed bonds showed good results of the transactions for the month. United States Government issues moved to new highs for all time, after quick and highly successful disposition of new bonds and notes early in the month. High-grade corporate bonds also improved, but the speculative and semispeculative sections tended to move in close accord with the stock market. Foreign dollar bonds were uncertain, with French and Italian securities depressed.

Trading in equities on the New York Stock Exchange totalled 51,025,000 shares, as against 60,871,000 in February and 15,849,000 in March of last year. Bond dealings on the New York Stock Exchange amounted to $285,000,000 par value, against $311,000,000 in March, 1935.

STOCK PRICES *



(*) Based on statistics compiled by Dow, Jones & Co., publishers of "The Wall Street Journal."

Prices of industrial stocks rose rapidly early in March, owing to the continued and good increases in manufacturing operations. Railroad stocks were lower, due to the I.C.C. ruling for sharp fare reductions.

GENERAL BUSINESS CONDITIONS
BY DISTRICT OFFICES OF DUN & BRADSTREET, Inc.

Atlanta Retail sales showed increases over the previous month's of 8 to 10 per cent. While department stores reported the largest volume, the smaller specialty shops and dealers in staples had an active business. Furniture, house furnishings, and electrical appliances were in strong demand, with prospects for the best Spring volume in five years. Wholesale trade supplying merchants in the small towns showed increased activity, but orders were of moderate size and conservatism was evident.

Baltimore Stimulated by improved weather conditions and the approach of the Easter buying period, the business picture took on a brighter aspect during March. Retail trade, featured by department store sales, under the impetus of warmer weather, advanced over the preceding year's. Some larger than seasonal gains were reported.

Wholesale orders, long postponed, increased steadily. Many merchants were in urgent need of stocks to promote Easter selling events and taxed the facilities of wholesalers in the apparel and other divisions. Industrial activity gave further evidence of broadening, in line with better manufacturing conditions. Operations in the heavy industries gained in the forward movement.

Binghamton Business here was seriously crippled during part of March, on account of a disastrous flood. As a result, the volume transacted by retailers and wholesalers, as well as the production of industry were curtailed. The property damages suffered by commercial enterprises in the flood area were heavy, but no accurate figures were available.

Boston Communications between the various New England cities, isolated by flood conditions, were resumed slowly. Added to the enormous damage to roads, bridges, and transportation, as well as the destruction of homes, was the loss of merchandise in the mills and stores in the path of the flood. In many cases, machinery was damaged and foundations rendered insecure so that it will be several weeks before many of the mills will be able to reopen. Trade in the unaffected areas went forward in good volume.

Chicago Retail trade adopted a fast pace during March. Sales averaged between 12 and 15 per cent over the like 1935 period. Several of the larger establishments recalled part-time personnel to handle the increased crowds of shoppers. Furniture, draperies, electric refrigerators and stoves, in fact all branches of house furnishings, were in strong demand. Women's apparel sales likewise expanded.

Wholesalers began to receive a good share of the delayed buying occasioned by the February cold spell. Heaviest volume producers in this field were the piece goods and Spring clothing lines. Manufacturers of millinery and women's apparel reported a fairly steady flow of orders from the East.

Cincinnati Mild temperatures and preparations for the Easter season had a tendency to broaden commercial and industrial activities. In most respects, the general level was in excess of the volume transacted last year during a comparable period.

Conditions in practically all branches of the metal-working industries have been benefited by steady automobile production and general industrial improvement. Mechanical supplies sold more freely, volume averaging from 25 to 35 per cent in excess of that sold in 1935 during the same period.

Cleveland Retail trade and the automobile and steel industries led the procession in gains during March. Department store sales in this section ran ahead of the national average, being 16 to 20 per cent over the same period in 1935. Easter items sold well, even though weather conditions were not the best. Merchants have stocked heavy inventories, in preparation of the Spring buying, which already has started auspiciously. Home equipment dealers have prepared for an increased volume.

Dallas Both wholesale and retail trade increased during March. The volume ran 10 to 20 per cent ahead of the comparative period in 1935. Collections fell off slightly, due to the diversion of funds for taxes and other requirements, which normally come at this time of the year.

Dayton Industrial employment for February, based on reports of 70 factories, with approximately 85 per cent of the city's total employment, showed a gain of 4.9 per cent over the corresponding month of 1935, according to the statistical summary of the Dayton Chamber of Commerce. Pay rolls were higher by 44.4 per cent than in February, 1935. Retail sales rose 11.4 per cent from the January total and were 23.4 per cent larger than the February, 1935, volume. The number of gas meter, electric meter, and telephone customers increased slightly.

Denver Industry and pay rolls remained the same during March, with no increase shown over the previous month. Metal mining held up well, in spite of the heavy snows and cold weather. When

compared with 1935, about a 3 per cent increase was noted.

Detroit Curtailed retail volume was especially noticeable in apparel and specialty lines. Staple goods continued to move at a good pace, consolidating previous gains and advancing to higher ground.

Industrial operations showed a steady expansion, as the automotive industry increased its output from week to week. Schedules call for a sharp rise during April, as the major plants have gone on a five-day basis.

Indianapolis Sales in retail lines showed an increase of about 15 per cent over those for the same period of a year ago. General prices held steady, with collections reported as fair. The wholesale hardware trade showed an increase of approximately 40 per cent over the same period of 1935. In wholesale dry goods lines, orders were about 3 per cent over the previous year's.

Kansas City Business activity in both wholesale and retail lines increased during March. Wholesalers of dry goods, millinery, dresses, coats, and suits reported a rising volume of orders since the final week of February. Retailers assembled generous stocks, in preparation for the best Easter season in five or six years. The recurrence of dust-storms affected some parts of the State, but crops were not damaged to any extent.

Los Angeles March retail business revealed sustained activity well above the level of February and 5 to 10 per cent ahead of the comparative period of 1935. Staple goods continued to move steadily, while seasonal lines showed considerable acceleration with the favorable turn of the weather.

Minneapolis With soil moisture conditions more favorable than they have been for years, farmers in the grain belt bought tools, implements, and supplies in substantial quantities. Farm implement dealers and manufacturers, some of whom doubled their 1934 volume in 1935, enjoyed a very marked increase in sales over a year ago. The opening of country highways permitted a flood of retail buying at some country points, and department store sales went farther above the comparative 1935 level than in February.

New Haven Manufacturing continued to hold gains made during recent months, and the February slump was overcome, to some degree, by orders received during March. Compared with 1935, a 22 per cent increase was reported. Employment showed very little variation, but compared with 1935 a 5.31 per cent increase was registered.

Norfolk The approach of Easter and continued favorable weather ran up department store sales for the month, as well as boosting the total over that of the corresponding period last year. Sales of men's and women's clothing, in which there was a slump during the unfavorable weather in the early part of the month showed a marked pick-up in the final two weeks. The demand for household hardware and garden supplies showed a heavy increase for the month.

Bank clearings were ahead of last year's, but coal dumpings declined. Norfolk was entirely untouched by disastrous floods, which affected many parts of the country.

Omaha Deferred consumer demand, pent up during the severe weather in February, asserted itself during the open weather of March. Retail sales in all lines were up from 5 to 20 per cent from this same month in 1935.

Country roads were opened, Spring work on the farm was started, and seasonal merchandise demands widened. With salesmen again on the road, wholesalers reaped the benefits of this renewed activity, and their orders bulked large.

Philadelphia Better shopping weather carried retail trade during March into new high ground for 1936. Department store sales ranged 10 to 12 per cent ahead of last year's. More customers were served in several stores on the final Friday and Saturday of the month than at any time since Christmas.

The release of orders ordinarily placed during February stepped up activity in the wholesale houses. Prompt deliveries were possible in all but the women's apparel division. Deliveries of millinery in particular were uncertain. Floods and storms at outside points slowed orders to some extent, as shipments to the West were delayed.

Pittsburgh Flood rehabilitation work is expected to bring the sharpest upturn in both commercial and industrial activity that this city has experienced in years. While the disruption of trading left a sales deficiency to be overcome, particularly with a few of the large retailers, accumulated needs brought out heavy consumer buying as high waters receded.

Repairs and reconditioning drew heavily upon building materials, lumber, and cement; sales of electrical supplies soared. All kinds of machinery and equipment incidental to construction were in demand, with active purchasing of used gas engines, generators, and kindred lines. Mill and mine supplies, shovels, lumber, and heavy hardware moved out in the largest volume in several years.

Manufacturers of fixtures and furniture received orders beyond their capacity for immediate shipment, with bedding and mattress plants pressed for deliveries. There was some loss in glass production, as a number of plants were under water for a week, but damage was not serious and facilities were in commission at the close of the month. Steel and electrical plants restored operations practically to the pre-flood level; certain finishing departments, under the pressure of catching up on shipments, exceeded the high point of the year.

Portland, Ore. For the first time in recent years, lumber production, orders, and shipments lately have been in balance. The total new business has been about normal under the circumstances of the weather and market. Exportation of lumber from local and nearby ports has been quiet, most business offered going to Canadian ports. Retail trade during March continued to increase, with favorable weather conditions, being generally 8 to 10 per cent over that of the corresponding 1935 period.

Providence A recent survey made among local makers of general industrial machinery and tools indicated that business has held well during the past month and a fair demand continued to embrace practically all lines. Plants engaged solely in the manufacture of machinery for the textile industry experienced a moderate pick-up from the low levels which have been reported during the past year or more.

Larger machinery and tool plants operated at a pace estimated from 50 to 60 per cent faster than that of a year ago. Some shortage has been reported in skilled labor, as machine orders have necessitated increased production.

St. Louis General business activity in this vicinity during March continued at the accelerated pitch which had its inception during the latter part of February. With Spring wearing apparel and home furnishings, such as radios, floor coverings, domestics, and upholstered furniture, and hardware items in most active demand, retail volume advanced close to 10 to 15 per cent over the 1935 level. Wholesalers of lumber, dry goods, shoes, and sponges and chamois reported shipments for the month and orders on hand improved over those of the prior year's comparable figure.

Distributors of automotive accessories reported increases in sales up to as high as 20 per cent on the year's comparative. The movement of new automobiles was considerably better than a year ago, and the highest since October, 1935. Garment manufacturers, makers of metal signs, and containers, shoe producers, and foundries in general all operated at an improved percentage of capacity.

St. Paul Leading retail stores in this district report sales in nearly all lines of merchandise increased steadily in keeping with the better weather conditions during March. The volume averaged 11 per cent above last year's figures.

Tonnage shipments for the month, among wholesalers and jobbers of millinery, dresses, men's furnishings, clothing, hardware, and household appliances, ranged 15 per cent higher than in a similar period during 1935. Collections varied a good deal, according to locations, slowness prevailing in districts where the snow and ice belt had not passed away.

The demand for agricultural tillage implements exceeded factory capacities by a wide margin and manufacturers accepted orders only with reservations for deliveries after May 1. Industrial activities in other lines were on a smaller scale, but were substantially greater than a year ago.

San Francisco There was a firm tone to general trade during March, and most lines reported favorably. Spring merchandise was in better demand and favorable weather helped all retail lines. Home appliances, in view of the termination of U. S. Government aid on March 31, were active.

Garments, shoes, drugs, and sundries sold well at both wholesale and retail. Automobiles and accessories held to at favorable levels, with future prospects bright. The sale of lumber and other building materials increased.

Seattle Milder weather brought a favorable reaction in Seattle retail sales during March. Many general lines reported a considerable increase over the previous month. For department stores, average daily sales were about 18 per cent over those of a year ago.

Several stores reported much larger increases, which were caused by bargain sales, that attracted wide attention. Clothing lines, particularly new Spring showings, were the leading sellers, with household goods a close second.

Syracuse Retail sales showed a distinct gain in March, when compared with February, and also indicated a satisfactory improvement over the corresponding month of 1935. A portion of this gain was credited to more seasonable weather, but a substantial part was, without doubt, due to the general confidence of the community in a gradual improvement in economic conditions.

Local factory employment has showed some gain from week to week, with the report of new industries being established and more demand for skilled labor.

Tacoma Tacoma was included in a recent list of five cities in which business improvement has been outstanding. Deposits in local banks totalled $3,314,646 higher on March 4, 1936, than one year ago on that date. The statement, which showed $32,768,886 in the six institutions here, was issued upon a call for conditions of all national banks sent out by the Comptroller of the Currency.

For the first time in recent years production, orders and shipments of the 201 lumber mills of Washington and Oregon struck a balance for the week ended March 14. All three factors of the lumber industry reflected an upturn over the status of the previous several weeks, which had been affected by adverse weather over the nation.

Toledo The steady expansion of automobile production during March increased employment and accelerated operations in a number of allied industries. Output of safety glass was enlarged, and

shipments of container glass were well maintained, in spite of traffic interruption in the flooded areas.

Retail sales showed substantial week-to-week gains, and reached the year's high toward the close of the month, as Easter buying became more generous. Wholesale volume was buoyed by the orders for immediate shipment from some of the inundated districts, particularly for groceries, dry goods, and hardware.

Wichita Business during March showed some improvement, especially in the women's apparel line, most of the ready-to-wear shops being almost entirely sold out of Spring merchandise. Local grocery stores reported a drop in sales, compared with those for the two cold months of January and February.

THE STORY OF MARKETING

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cost of warehousing, protecting and moving the goods into the hands of the consumer.

The Machine Age

In 1890 there were only 1,417 places classified as urban centers. By 1920 there were 2,787 and by 1930 there were 3,165 urban centers accounting for 56.2 per cent of the population. In 1890 there were three cities of a population of one million or more, by 1920 there were still only three but in the ten years between 1920 and 1930, the number had increased to five. In 1890 there was only one city of a population between 500,000 and one million. In 1920 there were nine.

The decade of 1910 to 1920 witnessed the pronounced development of the machine age. Labor-saving equipment and straightline methods of production were being installed to reduce the labor cost in the products intended for human consumption. The concentration of population in urban centers was preparing the ground work for mass distribution. Large numbers of consumers were massed in closely defined areas and provided the possibilities of volume outlets for retail stores. This era marked the rapid development of the department stores and the five and ten cent chain as important factors in the retail distribution of merchandise.

The Automobile

There remained but one development essential to making the low cost methods of mass production and mass distribution available to the great masses of both urban and rural population. The automobile paved the way. The tremendous development of paved roads in the nineteen twenties completed the picture. When the farmer was dependent upon the horse and buggy for transportation, he was compelled to trade at the nearest cross road general store or the closest country town at which he could purchase his requirements. The coming of the automobile and the paving of the roads made it possible for him to drive fifteen or twenty miles to the county seat center in less time than the horse and buggy had previously taken him to the cross road general stores. At the county seat center, he found a larger number and variety of stores, a wider selection and choice of merchandise. The automobile and the good roads had doubled and tripled the trading area of the average county seat center. The secondary trading areas likewise now furnished the possibilities of volume outlets.

And so we come to the present time,—an economic world with little resemblence to that which existed so few years ago that inhabitants still living can easily recall it. The developments of science have perhaps the primary responsibility. Distance and isolation have been destroyed, and the entire country is the market area for many enterprises. Marketing has made its adaptations, but the evolution of distribution has by no means come to an end. The story of distribution ends with the phrase, "to be continued."

"The Telephone belongs to Main Street"—*Walter S. Gifford*

The American Telephone and Telegraph Company, which has supplied the greater part of the new capital to build the Bell System, is owned by men and women in every state of the Union. Nobody owns as much as 1% of the stock. The average holding is 28 shares. So, from the standpoint of ownership, as well as service, the telephone is of, by, and for the people.

BELL TELEPHONE SYSTEM